

HÖGSKOLAN I HALMSTAD

**The state of the digital music market in France and its
tendencies**

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Summary of thesis

- Title:** The current digital music market in France
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- Level:** Bachelor Thesis in Business Administration, Marketing
- Key words:** Digital music, digital music market, France, Marketing, service, marketing mix, 7Ps theory
- Purpose:** The purpose is to explore what the state of the current digital music market in France is and its trends. Thus, we exhibit the tools implemented by companies to act in this market.
- Method:** Our research method is a descriptive one. Thus, we collect data from secondary sources such as the books, articles, journals, studies, and so forth. Then, we judge essential to gather primary data to answer our purpose. We make observations and an Internet interview. Finally, the entire information is treated and selected according to the reliability and validity of data.
- Theoretical framework:** First, we define the digital music as an electronic service. Second, we highlight what the marketing mix of services is, by presenting the 7Ps theory. Each variable of the latter is defined firstly in a global context, and then connected with the online environment and the digital music market.
- Conclusion:** We summarize our findings and emphasize the important elements. Thereby, we exhibit and learn the current tools employed by firms in the digital music market, at the step of the 7Ps in France, and also stress the tendencies of this market which is more and more dynamic.

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Table of contents

1. Introduction	1
1.1. The revolution on the digital market	1
1.2. Problem	4
1.3. Purpose.....	4
1.4. Audience.....	4
1.5. Limitations.....	4
1.6. Structure.....	5
2. Theoretical framework	6
2.1. Digital music as an electronic service.....	6
2.2. Definition of the marketing mix	6
2.3. The product's policy	7
2.4. Price's policy.....	8
2.5. Place's policy	10
2.6. Promotion's policy.....	11
2.7. The people's policy.....	13
2.8. The process' policy	14
2.9. The physical evidence's policy	15
3. Method	16
3.1. Research method	16
3.2. The application of the method.....	17
3.3. The interview.....	18

4. Empirical results	25
4.1. The digital market	25
4.2. Product	25
4.3. Price	28
4.4. Placement	29
4.5. Promotion	32
4.6. People	38
4.7. Process	41
4.8. Physical evidence	44
5. Analysis	50
5.1. Product	50
5.2. Branding	51
5.3. Price	51
5.4. Placement	52
5.5. Promotion	53
5.6. People	54
5.7. Process	55
5.8. Physical evidence	56
6. Conclusion	59
Appendix	62

Table of figures

Figure1: The marketing mix (the 7 Ps)	7
Figure 2: Five different places on Internet.....	10
Figure 3: The main element of the digital products promotion.....	12
Figure 4: Strengths and weaknesses of mailing	19
Figure 5: Summary for our collecting method of data.....	24
Figure 6: Interface of the Jay-Z's L.P. album	26
Figure 7, Bach MPEG DNA Box	27
Figure 8: Streaming on demand additional services.....	27
Figure 9, Allocation of incomes for a songs sold 99 cents.....	28
Figure 10 Place segmentation	30
Figure 11 Traditional channel on digital music market.....	31
Figure 12 Channel 2.....	31
Figure 13 Channel 3.....	31
Figure 14 :Example of a banner on Wormee	32
Figure 15: Interstitial on Deezer.....	33
Figure 16 : Background of the website Deezer.com with a promotional campaign for StudioLine	33
Figure 17: Banner interactive for the album of Melanie Dahan	34
Figure 18: Deezer Newsletter.....	35
Figure 19: Citroën and Ed Banger's Promotion on Facebook	37
Figure 20 :Promotion of Beezik on football.365.com	38
Figure 22: Sending an e-mail to Virgin Music.....	40
Figure 23 : Several search engines	41
Figure 24 : Downloading of I-Tunes from the two main Internet browsers.	45
Figure 25 : Structure of the VirginMega's home page	46
Figure 26 : An example of thematic in a menu	47

Figure 27 : Thematic in a web radio 48

Figure 28 : Links to access other artists, tracks, albums 48

Figure 29 : Example of the Deezer’s listening bar and its options 49

Figure 30: Place which facilitate a good branding development of digital music..... 51

Figure 31 : The Companies ‘people policy on the digital music market 55

Figure 32: The companies’ physical evidence policy on digital music market..... 58

1. Introduction

In this chapter, we define what a revolution is, and we tackle more precisely what a digital revolution is. Then, we highlight how digital revolution can act on business, with the case of the digital music market, in France. However, an issue comes up from the latter and leads us to suggest a purpose for this thesis. Finally, we define the targeted audience, the limitations of our purpose and the structure of our paper.

1.1. The revolution on the digital market

1.1.1. Definition of revolution

A revolution is a "sudden deep modification in power or organizational structures, which takes place in a relatively short period of time". Politically, it can happen with an overthrow. For instance in France, between 1789 and 1799, the revolution got rid of the absolute monarchy and changed it into a Republic. (Oxford dictionary, 1982; Soboul, 1977). A revolution can also be technologic. In the second half of the XVIIIth century; a cluster of basic innovation led to the industrial innovation (Schumpeter, as cited by Keklik, 2003). In this thesis, we speak about a recent technologic revolution: the informatics one and more precisely the digital revolution.

1.1.2. The digital revolution

The recent technologic revolution, similar to a technologic boom, has established a new digital age. Hence, the sudden growth in computer, information, transportation, telecommunications and other technologies has had an important effect on the way that companies supply value to customers. (Kotler et al., 2008, p.33)

The Information and Communication Technologies (ICTs) represent a group of technologies used to treat, modify and exchange digitized information. Indeed, they enable to treat and analyze information deeper and deeper, with more and more tools, for a price which is every time decreasing. In the 1960s, Gordon Moore, one of the creators of Intel, predicted that the power of microprocessor would double every eighteen months (Arthaut, 2006). The consequences were that the informatics material's prices dropped really fast. So, ICTs offer to society a wide access to information and communication.

The main aspect of ICTs is Internet. Nowadays, it is a way to link individuals with businesses and information all around the world. It becomes a global phenomenon with a forecast of 1.8 billion people which may use it in 2010. Anytime, anywhere, it enables communication, entertainment and connections to information (Kotler et al., 2008, p.33). Thus, Internet provides information to society, improves efficiency of organizations and creates new businesses (e-business). Taking advantage of this opportunity, companies are using Internet to build closer relationships with their customers and marketing partners. "The e-business is the use of electronic means and platforms to conduct business; whereas e-commerce includes all the selling and buying process supported by electronic means" (Kotler et al., 2008, p.134-135). In France, in 2008, e-business represented twenty billion of sales and grew about 20 % during the year (ICE/ Fevad / KPMG, 2009). Therefore, Internet has engendered social changes and continues. Indeed, it has changed deeply our postindustrial society. Are defined by postindustrial societies the ones where the services are the most important sector, like in France. In this country, in 2006, from 75% to 80% of the active population were working in services society. So, eight on ten people treated information and managing relationship (Lendrevie et al., 2006 p.24-25). Moreover, according to studies of the *INSEE (National Institute of Statistics and Economic Studies – France)*, in 2005, 4,2 % of French family budgets were spent in digital products.

Today, as previously explained, people and companies have a wide access to the Information and Communication Technologies. It helps them in the daily life. Through the e-business and e-commerce, we can observe that ICTs (particularly Internet) engender effects on the companies' and customers' behaviors (Lendrevie et al., 2006, p. 35). Thus, ICTs have consequences on any kind of market: food, toys, clothing and so for. In a nutshell, technology has a determining influence on market, on offer and demand (Kotler et al. 2008, p.34).

1.1.3. Market

Market is a place where offer and demand meet each other, for a product or a specific service (Conseil de la Concurrence, 2000, p.107). Through this definition, we can divide the market in two parts: a selling market from a supplier's sight and a purchasing market from demand's point of view. Thus, this definition reflects market is the result of an interaction of several members: producers and distributors with an aim to offer goods or services (products) and customers who can purchase the latter (Lendrevie et al., 2006, p. 35). Therefore, those interactions can be between a company and an individual (Business-to-Consumer interaction: B to C) or between two or several companies (Business-to-Business interaction: B to B). However, the previous definition is an overall one, as an agreement between all existing definitions of market, coming from different domains, as economical for instance. So, market can be defined through a marketing point of view.

Marketing is a business process, a "social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others" (Kotler et al, 2008, p.991). So, marketing is a process including an interaction between actors, where each one obtains what it needs or wants, through the creation and the exchange of products (goods or services) and value, with others. Marketing, more than any other business function, tackles with customers; which are an essential component of a marketing system. We can deduce that the creation of customer value and satisfaction is the center of the marketing, as can be its other objectives: attracting new customers by promising them a superior value and to keep and grow the current ones thanks to the delivery of satisfaction (Kotler et al. 2008, p.6). To reach these goals, several marketing tools can be defined: market segmentation, market targeting, external and internal analysis of a company, benchmarking and so on.

The marketing mix is one of those marketing tools, composed of seven variables in a coherent gathering, in order to deliver superior value and satisfaction to the customers. It represents the basic decisions of a company concerning seven policies: product, price, place, promotion, people, process and physical evidence. It is an explicit translation of a company's marketing orientations (Lendrevie et al., 2006, p. 835).

In a nutshell, thanks to a marketing point of view, market can be defined through the marketing mix. Furthermore, as the digital revolution can affect market, it can affect the marketing.

1.1.4. Digital revolution and marketing

Defining market through a marketing point of view (the marketing mix), we can determinate that technology affects the seven variables of this marketing tool. Companies want to deliver customer value and satisfaction. Thus, companies have to adapt strategies, heart of the marketing thinking and practice. So, according to the shifts of their environment: technological, cultural, economical...companies have to adapt themselves.

Digital technologies enable to reduce costs and improve the efficiency of business. They also help marketers to innovate and enhance all the steps of their approach (Lendrevie et al., 2006, p.26). Indeed, we can take the example of Internet, global phenomenon of society, insofar as it gives new

opportunities everyday for businesses (Kotler et al, 2008, p.33). That is a reason why a lot of companies decided to involve themselves in e-Commerce (Chaffey et al., 2009, p.3). Thereby, to reach this goal, companies can adapt their marketing mix to the new technological trends, to their environment. Clearer, it can be done by changing some characteristics of its product or service, the price fixed, the place where you can buy the product or have the service, the way to promote to target people and so forth (Borden, 1964, p.8).

Thus, as previously mentioned, technology has a determining influence on any market, on offer and demand (Kotler et al. 2008, p.34). This is also the case for the music market, in France.

1.1.5. Digital revolution in music market in France

To describe the digital revolution, we have chosen a specific market: the music market. This market has deeply changed because of the digital technologies, the digital revolution. Music market exists; but currently the digital music market is also present.

“Non aux kolkhozes musicaux” (No for music kolkhozes); “La quête de nouveaux rythmes” (The quest for new rhythms). Here are the titles of some articles published in a famous French newspaper called *Le Monde* (2010); dedicated to the music market in the country. Currently, the music market in France is like a societal question, a societal issue. In front of the decline of the music market due to the digital revolution and the growth of the digital music market, some organizations try to find solutions. This is one of the reasons we decided to choose the digital music market in France. Then, an own experience in a record-label company in France has oriented our choice. Moreover, as consumers of music and students in marketing, we are really interested in the trend of this market.

The music market represents the sales of physical and digital music (Nicolas et al., 2010). The worldwide resources, due to music sales, were estimated in 2008 around 18,42 billion of dollars (BBC News, 2009). In France, in 2009, the sales of music Compact Discs (CDs) represented 819 million of Euros. On the one hand, the digital market is still marginal. The same year, it represented 70 million of sales: thus less than 9% of the CD's market (Nicolas et al., 2010). But the CD's market has been affected by a deep decline. In France, since 2002, the amount of sales had been divided by more than 2,5 (Chevalier, 2009, p.68). On the other hand, the digital market, even if it cannot compensate the lost of the physical market, grew about 28 % in 2009 (Nicolas et al., 2010).

Nowadays, the exchange of information is very fast (for text information it is almost simultaneously) for a price sensibly lower than before. In 1991, the MPEG-1 Audio Layer 3, most commonly called MP3, appeared. It is a new format to encode musical files, which is compressed and so very light; almost keeping the same quality of music than the CDs (Brandenburg & Popp, 2000). Thus, the Information and Communication Technologies have created a digital continuum. Indeed, we got interactions between those technologies that dematerialize more and more the exchanges. For instance, a musical MP3 files can be saved on a computer, then sent to another computer and finally used to be listened onto the computer or sent to a MP3 player (Lendrevie et al., 2006). To explain this turn down, we should come back in 1999, when Napster, a free platform to exchange files, opened. Since this creation, people can obtain cultural products like music or movies for free. Even if authorities try to shut that illegal online-files-sharing website, new ones appeared each day.

The first legal interface to download music has been created really late: when the company Apple launched iTunes in 2003. ““That four-year lag is where the music industry lost the battle,” said Sonal Gandhi (2009), music analyst with Forrester Research. In 2008, the illegal market represented 95% of the worldwide digital music market (IFPI, as cited in Holton, 2009).

1.2. Problem

Analyzing the music market, we notice that since the XIXth century, the spreading of music has known several revolutions which have modified deeply the way to do business in this sector. Indeed, sellers of score were opposed to the creation of record, then record seller were themselves also opposed to radio, then radio against tape... (Chevalier, 2009). Nowadays, the digital music market is more and more important in the overall market.

The digital revolution affects the markets and so the companies acting in the music market. In other terms, the digital revolution directly acts on these companies and their businesses (Peitz & Waelbrock, 2005, p.351). So, digital revolution has business consequences. If companies want to make profits in their market, they have to adapt their strategies according to the shifts of their environment: technological, cultural, economical and so on. It is a way to take advantage of its new environment. This is in the optic to adapt their offer to the new tendencies (digitalized music) but also to their current and future customers; in a context where the structure of the music is evolving. The physical music market is in decline whereas the digital one is increasing.

Thus, in front of this phenomenon increasingly important, what are the solutions for companies if they choose to adapt themselves?

1.3. Purpose

The overall purpose of this thesis is to explore the state of the current digital music market in France and its trends. Because it is a dynamic market, we want to illustrate its current tendencies at the step of the tools implemented by companies to act in this market.

1.4. Audience

This thesis tackles the digital music market in France. So, it is dedicated to people who are interested in the digital music market and its trends and for persons who are interested in marketing. Furthermore, this thesis is dedicated to companies working in the music market in France (record-label, distributors...).

1.5. Limitations

The thesis paper is focused on the digital music market in France. This market is organized around several actors, we can consider as key actors: the artists, the interpreters, the producers, the distributors, the canals of commercialization and finally the customers (Lendrevie et al., 2008, p. 34). However, this thesis is about the trends of the digital music market and concerns the action of companies acting in it. Thus, all along this thesis will be defined as actors the companies working in the digital music market: the record-label firms, the retailers and finally the aggregators.

Furthermore, we talk about digital technologies and so about ICTs. However, are incorporated in the term of ICTs a lot of information and communication tools. As explained in the part 1.1.2, the main aspect of the Information and Communication Technologies is Internet. Internet represents the ICTs in such a way. Thus, for this thesis, in order to be the most precise as possible, we are focused on the digital music market on Internet, in France. Nevertheless, nowadays, we can observe that Internet is available on several materials like the computers or mobiles phones. Thus, we decided to concentrate our thesis on the Internet accessible via computer because it is the main interface, it was representing 84,6% of the French digital market during the third trimester of 2009 (Nicolas et al., 2009).

We don't describe all the market. We have chosen particular point that we found interesting in order to understand the market, its tendencies but also because it was great marketing approaches. Moreover we have worked on a market which changes really fast and so we have dedicated our data research on elements which happened since 2005.

1.6. Structure

In order to answer the purpose, the thesis is structured in such a way to be comprehensive by people, logic, and which enables to analyze the marketing strategies implemented. So, it is composed of six parts, by isolating the introduction.

The chapter 2, we highlight our theoretical framework. This part is a knowledge foundation of our analysis with a description of the theories we need and use in order to answer the purpose.

In the chapter 3, we describe the methodology we use. So, we describe our different choices, particularly between primary and secondary data but also between a quantitative or a qualitative method, the tools to get information...

The fourth part (chapter 4) gathers the empirical results, coming up from the sundry sources and tools we used before.

In the chapter 5, we analyze these results in order to make the trends came up.

In the sixth part, we present our conclusions from the analysis, made thanks to the gathered information. In addition, we suggest some possible forecasts for companies in the music market in France.

2. Theoretical framework

In this chapter we present our theoretical framework. It refers to the main theories which help us to answer our previous research questions. First, we observe the digital music as an electronic service. Then, we present the 7Ps of the marketing mix theory, through the overall definition of the marketing mix and the analysis of its different variables. This analysis, for each variable, is done in a global context, and then is adapted to the online market, for at the end to be adapted to the digital music market. This part enables us a better understanding of the problem from a theoretical framework. It is a chapter where the knowledge base is given and which enables to fully understand the scope of the thesis. It also enables understanding the driving logic used all along the thesis.

2.1. Digital music as an electronic service

A service is “any activity or benefit that one party can offer to another, which is essentially intangible (service product cannot be touched, seen, tasted, smelt or heard), and does not result in the ownership of anything” (Kotler et al., 2008, p.625). Service is also characterized by three other dimensions. First, the inseparability: service consumption cannot be separated from the provider. Then, we have the heterogeneity: there are too many variables to enable the organization to achieve standardization. Finally, the perishability stresses the fact that services cannot be stocked or stored (Thomas, 1995, p.377-378).

Through the CD or the vinyl, we were getting a tangible product on the music market. But, it seems that the digital music is a service. Indeed, it fulfills the two first features. Nevertheless, it does not answer the three previous criteria. Therefore, this characteristic stresses the particularity of electronic services. A service is generally different, depending on who provides it and when, where and how (Kotler et al., 2008, p.629). Moreover it cannot be kept by the buyer and is produced thanks to an intervention of the seller. However, the digital product is standardized and can be multiplied endlessly. It is really easy to create a copy without losing the quality of the original product. That is the reason why publishers cannot guarantee their copyright. In addition, MP3 songs can be played indefinitely without losing in quality; digital products are not destroyed after their utilization (Lendrevie et al., 2006, p.272). Finally, the digital product does not need the intervention of the provider of the product. Apparently, we can define a digital service only by its intangibility and the lack of ownership.

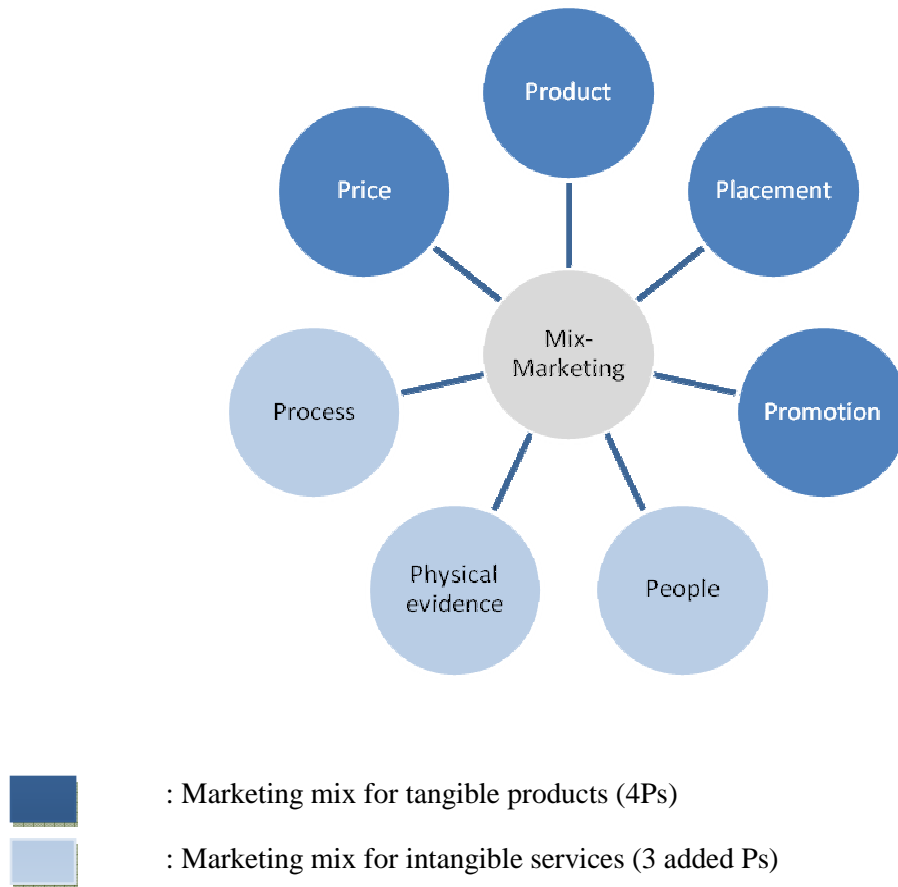
2.2. Definition of the marketing mix

Marketing mix is all basic decisions taken by the marketing manager: a professional person who manages the marketing resources; either for a business or a product, regarding the main variables of action he or she has at its disposal. Originally, this theory was proposed by Jerome McCarthy in 1960, with only four variables for tangible products, matching with four policies: product price, place and promotion. It is still used as a fundamental part of formulating and implementing marketing strategy, by many companies (Lendrevie et al., 2006, p.834). Thus, marketing mix has to be a clear translation of the strategic choices adopted by a firm, principally stages concerning the product’s place and the driving forces of the strategy to use. The original marketing mix is focused on the tangible products and is more commonly called the 4Ps theory. Nevertheless, this theory is not sufficient for services.

Therefore, another marketing mix exists in marketing strategies, called the 7Ps. This theory is dedicated to the intangible services and is an extension of the 4Ps theory. For services, the marketing mix is composed of seven variables; therefore seven policies: the product’s policy, the price’s policy, a place’s policy a promotion’s policy and three additional policies, People’s policy, Process’ policy,

and Physical evidence’s policy (also called physical environment). Thus, the original 4Ps with these three new Ps, shape an extended marketing mix; that we can call the service marketing mix. It was funded by J.Booms and B.Bitner. This model is more useful for services industries and for knowledge-intensive environments (Kotler, 2000, p.202-203).

Figure1: The marketing mix (the 7 Ps)



Source: Created by the authors

2.3. The product’s policy

2.3.1. General Content

“A product is anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a want or a need. It includes physical objects, services, persons, places” (Kotler et al., 2008, p.539). It is composed of the core product and the extended product. The core product transmits the core characteristics of the product which should answer the need of consumers. In other terms, it consists of the benefits searched by a customer to solve a problem; meaning that marketers first need to determinate the benefits (the core) that the product provides to customers (Kotler et al. 2008, p.501, p.502). The extended product combines the additional advantages offered beyond the product; as the installation or the warranty (Chaffey et al., 2009, p.280).

Companies can differentiate themselves by concentrating their efforts on one element of the marketing mix. For the product, there are three possibilities: technologic innovation, qualitative superiority and specialization. (Lendrevie et al., p.829).

2.3.2. Branding

A brand gathers all “the characteristics of a product or service, perceived by a user”. So, the branding is the approach by which an organization improves the image of its brand (Chaffey et al., p.289). It enables to build lasting relationship with customers. According to Chiagouris & Wansley (2000), there are four steps for a good branding: awareness, familiarity, trust and commitment.

Through the awareness, prospects can recall or recognize the name of the company. With the familiarity, they learn more about the brand, its product and services, its additional offers, and develop an approval of it. Then, via the trust step, the prospects become less reluctant to purchase a product or service. Indeed, they distinguish the benefit that could bring a special feature of the product. During this stage, the customers’ choices are influenced by the good image they have about the brand. The last phase, the commitment, celebrate the relationship; by an exchange between seller and customers. Each part knows the other one and hopefully the relationship lasts (ibid., p.1&2).

The marketing mix, and its choices of differentiation, is an important tool to build a strong brand. Indeed, it enables to define good features for the consumers and to commercialize it in the best way to satisfy their wants and needs (Fifield, 1998, p.231).

2.3.3. Partnership and co-branding

The brand partnership is a common strategy used by companies to reach an overall superior development for each firm, than if they stay alone. The co-branding is a kind of brand partnership with the specificity that the conceptual and functional products have been developed by both organizations and they sign the product with both names (Cegarra & Michel, 2002, p.3).

2.3.4. The digital product policy

The digital product is a good or a service, received on digital format from Internet (Kalakota, Robinson, p.22). Every digital product is offered in at least one package (Pankratius, 2007, p.105). The strategy takes into account miscellaneous possibilities to improve the digital product. It can enhance either the core or the extended product (Chaffey et al., 2009 p.284). Another technique used online is the ‘Prosumer’ (Producer + Consumer); a strategy which involves consumer in additional with the producer in the creative and marketing processes (Chaffey et al., 2009, p.684).

2.3.5. The digital music product policy

Music, on digital market, can be offered with a MP3 or another format through Internet. In comparison with the tangible product, consumers do not need to rip CDs to get MP3 files. They can transfer themselves those files, to the computer or another machine, like a MP3 player (Rhapsody, 2006). These products can be duplicated and listened endlessly.

The extended product will take into account the metadata, all the information around the music files like the title, the author, the cover of the album (Chambon & Lestrade, 2008, p.35). Some services offer also additional interactive services such as the possibility of creating playlist and social applications (Nicolas, 2009).

2.4. Price’s policy

2.4.1. General Content

The price is the amount of money that a customer pays to purchase a product. This amount is determined thanks to a number of factors like the current market share of the company, material

costs, competition (direct, indirect and implicit), product identity; but also the customer's perceived value of the product (McCarthy, 1975, p.37). The price's policy has to stipulate the tariff conditions the company wants to pursue with its clients, for the product or service: basis tariff-price, discount price and so on; according to the different categories of clients and the importance of some criteria as their orders, periods of the year and so for (Lendrevie et al., 2006).

The general pricing policies are cost-based pricing, competition-based pricing, and customer value-based pricing. "The cost-based pricing strategy takes into account the costs of producing, distributing and selling the product, plus a fair rate of return for effort and risks" (Kotler et al., 2008, p.681). "The competition-based pricing uses anticipated or observed price levels of competitors as primary sources for setting prices" (Hinterhuber, 2008, p.42). According to Kotler et al. (2008), "value-based pricing consists of setting prices based on buyer's perceptions of products value rather than on the costs". The approach should begin with the customers and his want and then the strategy is adapted in accordance with it (2008, p.683).

A company can concentrate its efforts on the price policy. The main strategy is a volume oriented strategy, which consists of offering a low price. Thus the company offers advantages directly perceptible by the customer. It enables to sell a lot and gain market shares, but with a few margin per unit. In order to apply a volume oriented strategy, firms should have the resources to take this risk. Moreover, they should have a substantial and durable competitor advantage about the cost. Eventually, a low cost should be an important variable for clients. Indeed, a low cost product could be felt like a low quality product. (Lendrevie et al., p.830)

The other strategies are generally included as part of product/segment plans and do not appear as a separate entity (Mc Donald, 2002, p.377). For instance, offering a high price does not give advantage directly to the customer. But it is the following of a product strategy. Indeed, when you have a competitive advantage based on the characteristics of your products, you can apply a skimming strategy when you launch it, to maximize the profit. It enables to make a big margin per unit, and keep a prestige, because not everybody can have an access to it (Mc Donald, 2002, p.288). Companies can also offer a promotional price during a short period, in order to stimulate the sales with direct discounts or on the next purchase, special offers and so on (Lendrevie et al., p.360)

2.4.2. Price on Internet

The price on Internet matches with the price of product or services available on Internet. One particularity of the price of digital product/service is that the marginal cost is low. The biggest variable to take into account in order to fix the cost is the investment and so its risk (Lendrevie et al. p.287). The production and the marketing are the main fields to finance (Lendrevie et al., p.369). Thus, it seems that volume strategy could be interesting.

Further, pricing alternatives can be taken into account for digital products: add-ons (informatics accessories), extra products and services could be charged. Discounts can also be offered for promotional actions or in order to stimulate repeat purchase. (Chaffey et al., 2009, p.309)

2.4.3. The price of digital music

As a continuation, the price on music market is the amount of money that a consumer spend to acquire a digital music file, but also all the indirect element (advertising) that enable to create incomes to the provider.

2.5. Place's policy

2.5.1. General Content

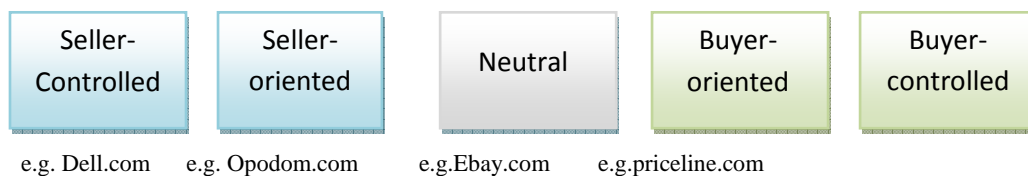
The place means the location where a product can be purchased, which often represents a distribution channel. There are three models of distribution channel: the direct, the short and the long. In the direct channel, the producer sells directly its product to the client. The short channel gathers three actors: the producer, the distributor and the client, so there is only one middle man. Finally, the long channel incorporates several intermediaries (Vandercammen & Jospin-Pernet, 2002, p.57). The term of place, in marketing mix, can include any physical store but also any virtual store on Internet. So, the place's policy is a sale's and distribution's policy. It should answer the simple question "Where our customers would expect to find our products or services?" It should also be linked with the needs of the marketing effort. It has to cover some points: the size and the organization of the internal sales force in the company whose the goal is to sell the product, the choice of distribution channels following the aims to reach (numerical distribution or value distribution), the budget for distributors' promotional and merchandising operations, different services suggested to the distributor like advices or helps to sell, after sale service and so on. (Lendrevie et al., 2006).

The marketing mix, with the placement as a priority, applies a push strategy: to push the product to customer in order to stimulate the purchase. By offering more sales force, a better or a wider presentation in the sales point, the organization assures competitor superiority (ibid. p.830).

2.5.2. Place on Internet

Internet is itself a distribution channel (Chaffey et al., 2009, p.306). On the digital market; we have five different kinds of places to purchase digital products: the seller-controlled, the seller-oriented, the neutral placement, the buyer-oriented and the buyer-controlled. The seller-controlled and the seller-oriented placements carry the interest of the seller. The buyer-oriented and the buyer-controlled placements carry the interest of buyer. The neutral placement is independent. The seller-oriented, the neutral and the buyer-oriented places are managed by a third part. The seller controlled placement is managed by the seller and the buyer-controlled is control by the customers. (McDonald & Wilson, 2002, as cited in Chaffey et al., 2009, p.309)

Figure 2: Five different places on Internet



Source: Created by the authors

2.5.3. The place for the digital music market

The place on the digital music market represents the interfaces where customers can find the music files they want to buy or rent

2.6. Promotion's policy

2.6.1. General Content

Another variable of the 7Ps theory is the promotion. The latter is defined as the whole array of methods and procedures by which the organization communicates with its target market (Fifield, 1998, p.245). The company can promote the brand (its positioning) or its product and services (features). The promotion gathers four specific elements: advertising, point of sale, word of mouth and public relations. A company can use these principal elements together and separately (Lendrevie et al., p.492-495).

Advertising is the eminent tool of promotion; noticeable and widely spread, it is the core offer of communication agencies (Fitzgerald & Arnott, 2000, p.73). Kotler et al. (2008, p.762) define it as "any paid form of non-personal presentation and promotion of ideas, goods or services through mass media such as newspapers, magazines, television or radio by an identified sponsor". It gathers four media, television, radio, press and Internet (Lendrevie et al., p.493).

The public relations are "the management of the awareness, understanding and reputation of an organization or brand, primarily achieved through influencing in the media". (Chaffey et al., p.522).

The Word of Mouth Marketing Association (WOMMA) defines the word-of-mouth as the act of consumers providing information to other consumers. Simultaneously, the WOMMA emphasizes the marketing approach, the word of mouth marketing, as a "reason giving by marketers to talk about their products and service". Finally, the WOMMA (2010) reports the word of mouth marketing, as "the art and science of building active, mutually beneficial consumer-to-consumer and consumer-to-marketer communications". (Word Of Mouth Marketing Association, 2010)

"The sales promotion gathers all the short term techniques used to stimulate the purchase or sales of a product or service" (Kotler et al., 2008, p.785).

The promotion's policy can be defined as the strategy to choose and implement the main communication ways. It should apply a pertinent approach, and adaptable to the overall mix marketing. Then, in the one hand, we have companies which want to communicate with advertising. They have to make a choice between television, radio, press or Internet by the media strategy. In the other hand, we have firms which want to communicate out of media, with sponsoring, direct marketing, public relations, sales promotion and event. For each choice, marketers should define the tools which will be used according to the characteristics of the company, its market and the overall mix marketing choices (Lendrevie et al., 2006 p.493 & p.835).

Marketing mix, with the promotion as a priority, adopts a pull strategy. It enables, through a strong promotion, to pull the consumer to the product in order to stimulate its consumption. Pull strategy generally try to build a brand image rather than promote directly products (Lendrevie et al. 2006 p.831).

2.6.2. Promotion of digital product

Figure 3: The main element of the digital products promotion

Communication tools	Online implementation
Advertising	Interactive displays ads, pay-per-click, search advertising
Public Relations	Online editorial, blogs, feeds, e-newsletters, newsletters, social networks, links and viral campaigns
Affiliate Marketing	Pay per performance marketing, Pay per click
Direct mail	Opt in e-mail using e-newsletters and e-blasts (solus e-mail)
Merchandising	Promotional ad-serving on retail sites, personalized recommendations and e-alerts
Word of Mouth	Viral affiliate marketing, e-mail a friends, links
Traditional offline advertising	TV, radio, print...

Source: created by the authors, thanks to chapter 9 and table 5.4 p.314 in Chaffey et al., 2009

The search engines (SE), such as Google or Yahoo, are really important for e-marketing. Indeed, they have a major influence about the traffic on Internet (Hardaker & Graham, 2001, p.74). Searchers use SE to find websites by typing keywords into these interfaces. So, the search engines are the first tools that people use to find a request such a product or a service. The Search Engine Marketing groups “all the promotional techniques used by companies, to pull searchers to their website when they are using SE. It can be by improving the results from the natural listing (Search Engine Optimization, SEO) or by using Paid Search Marketing (pay-per-click) tools”. The pay-per-click approach enables to appear in the deliver result from a sponsored listing. It is shown with a relevant text ad and a link to the company website. (Chaffey et al., 2009; p.506-507).

Companies can also attract people to their website while they are using Internet for another use, with display advertising. The display advertising is an “advertising paid to be placed on a third-party website such as information or social website”. There is often a link to a website (Chaffey et al, 2009, p.539). We notice two motivations for those advertisings: first to catch the attention of prospects by submitting them promotion and create conscious or sub conscious awareness. Second, some visitors click on the advertisings and then receipt branding information, which stimulate the familiarity and the trust toward the brand’s products. They also have the opportunity to purchase, and so commit themselves into a consumer/seller relationship (Hardaker & Graham, 2001, p.75).

The Online Public Relationships (E-PR) consists of “maximizing favorable mentions of an organization, its brand and products; on a third part, website which are likely to be visited by its target audience” (Chaffey et al., 2009, p.523). Companies have a little direct influence about the

Public Relation. Nevertheless, Internet offers indirect tools. Through their website, businesses can select the information they want to divide, and be reactive on time about the actuality (Hardaker & Graham, 2001, p.76). E-journals represent the online approach of newsgroup. It is similar than the traditional press approach, but often offers technical information for the specialized reader (Hardaker & Graham, 2001, p.77).

The affiliate marketing gathers techniques which enables publishers to gain a commission on sales or leads by merchant (Pay-per-performance marketing), thanks to the links on the referring sites. Commission is usually based on a percentage of product sale price or a fixed amount for each sale, but may also be based on pay per click basis (Chaffey et al., 2009, p.669)

“The direct marketing gathers techniques which carefully target individual customers, to obtain an immediate response” (Kotler et al., 2008, p.869). E-mail offers powerful direct marketing tools because it is fast and responsive (Hardaker & Graham, 2001, p.78).

The online merchandising gathers all the techniques to present a product, in order to stimulate its purchase. On the electronics markets the rules and aim are the same, but it should be adapted to new settings (Compario, 2010, p.15).

“The viral marketing is the Internet version of word-of mouth marketing (WOM) .The messages provided are so infectious that customers want to pass them on to friends” (Kotler et al., 2008, p.924).The web gives a powerful dimension to the WOM by offering it the global communications channels of Internet (Hardaker & Graham, 2001 p.78).

The social networks are interfaces which facilitate communication and relationships between people. They offer several interactive tools to exchange messages and comment. They also provide facilities to develop user-generated content (UGC), editorial created and developing by visitors (Chaffey et al., 2009, p.531).

The traditional offline advertising uses traditional media such as TV, radio and print. It enables to reach a large population, but the costs are important (Chaffey et al., 2009, p.562 &568).

2.6.3. The promotion of digital music

The promotion of digital music is a continuation of what we have done about the promotion off digital product. It consists in the establishment of all the previous different tools in order to promote digital music (Curien & Moreau, 2005).

2.7. The people's policy

2.7.1. General Content

A lot of services are provided by people. Hence, the ‘People’ variable is a key element in the service marketing mix, necessary to any service provision, which is able to make a difference to customer satisfaction. (Kotler et al., 2008. p.635)

All people, in a company, are involved in the consumption of services, in a direct or indirect way (Kotler et al., 2008, p.604). Thus, people are an essential part of the extended marketing mix. This variable of the 7Ps consists of using the appropriate staff and people in order to satisfy the customers’ needs and wants. To reach this goal, the organization has to recruit the right staff and to train them appropriately in the delivery of their services. This ‘people’ variable is fundamental if a firm wants to succeed and to get a competitive advantage in its market. Indeed, companies know that

a perceived value of a product or service depends also on the relationship between people from the company and the customers. If this relationship is good, the customer will have a better perceived value of the product or service. Consumers judge and deliver their perceptions of the service through the relationship they have with the staff. That is the reason why employees should have the appropriate skills and knowledge to provide the service that customers are paying for (Kotler et al., 2008, p.604). A particular investment in customer services should be done on market which products are standardized, to provide a superior value to consumers (Fifield, 2001, p.238).

2.7.2. People on Internet

Companies should take into account how easily a customer can find a contact point, compose support requests on website. Online, the variable 'people' is like a review of how has changed the staff involvement in the buying. This involves either new roles for the staff (replying to online chat inquiries or e-mails) or a replacement of the staff to favor automated online services. For instance, it can be represented through a co-browsing, an e-mail notification, a call-back facility, on on-site search engine and so forth. (Chaffey et al., 2009, p.317)

2.7.3. People for the digital music market

Concerning the digital music market, the variable 'people' consists in the new roles for the staff or its replacement by automated online services, as mentioned in the previous paragraph, in digital music interfaces.

2.8. The process' policy

2.8.1. General Content

The next variable is called the 'Process'. It refers to "all the procedures, flow of activities and also mechanisms by which services are consumed" (Zeithaml & Bitner, 2002, p.25). Thus, it represents "all the systems used to assist the organization in delivering the service, the procedures and methods used by firms to achieve all marketing functions as can be the new product development, customer service and sales" (Chaffey et al., 2009, p.318). This 'Process' enables to control the costs, the system improvement and to offer a superior level of customer services (Fifield, 1998, p.241).

2.8.2. Process on Internet

The previous definition can be applied into an online context; reflecting the systems used by a firm to achieve all marketing functions such as customer services, sales and new product development. So, it can consist of features by which the product or service is consumed on Internet; but also if the process to get the digital service is customized or standardized, if the number of steps to access the online service is simple or complex.

Companies on digital market have a great flexibility to offer range of options to purchase products at different price points. That includes four possible options: subscriptions, pay-per-view, bundling and finally the ad supported content. The subscription is a revenue model by which an amount of money is giving by the customer to the seller to consume a range of product during a determinate period corresponding to a determinate price. The pay-per-view is a unique download or viewing session and its price (per unit) is higher than the subscription service. The bundling, like the subscription, is also less expensive than the pay-per-view service. It consists in different content or channels which can be offered either as individual products or grouped products. Finally, we have the ad supported content, different from the other options because of the fact no price is set here. Indeed, the main revenue sources of the publisher are made thanks to adverts on the site, as a fixed sponsorship, which

stands for 'cost-per-click'. But it could also consist in affiliate revenue from sales on third party sites or another option consists in offering access to subscriber lists. (Chaffey et al., 2009, page 284; Peitz & Waelbroeck, 2005).

2.8.3. Process for digital music market

We can deduce that for the digital music, the 'Process' represents the implemented systems by which the companies acting on the online music market try to achieve all the marketing functions. Thus, it can underline how to access, easily or not, to the digital music the customer looks for, what the features for this easy access are.

2.9. The physical evidence's policy

2.9.1. General Content

The last variable is the physical evidence, also called the physical environment. It refers to the "all of the tangible representations of the services" (Zeithaml & Bitner, 2002, p.25). It is a tangible representation of the service and how this one is purchased and used (Chaffey et al., 2009, p.319). Indeed, to demonstrate their service quality, one of the ways for firms is to develop a superior physical environment in which the service is exposed and delivered (Kotler et al., 2008, p.604). For instance, it can be signage, business cards, billing statements, report formats and so on. That enables the customer to judge the quality of the service they can rely on their cues.

These cues provoke opportunities for a service firm to send consistent messages according to the company's purpose, its intended market segments but also for the nature of its service (Zeithaml & Bitner, 2002, p.25). Hence, service organizations can communicate the company's customer value in order to target customers, by managing the physical evidence (Kotler et al., 2008, p.604).

2.9.2. Physical evidence on Internet

In an online context, the physical environment reflects the customer experience of the firm, via the digital interface. That involves problems as the Internet interface ease of use, its easiness of navigation, its availability and its performance. (Chaffey et al., 2006, p.248)

2.9.3. Physical evidence for the digital music market

Seeing what physical evidence on Internet is, we can argue the physical environment for digital music market is the implemented environment in digital music interfaces, to demonstrate to customers the quality of the service offered. It includes digital music interfaces ease of use, easiness of navigation, its availability and its performance. Hence, it enables individuals to make a judgment about the quality of the digital music.

Following these seven variables, the marketing manager will establish strategies to improve its product (here a service), but also to increase the benefits of his company. This manager will modify the product by changing those driving elements of the marketing mix, as a tactical change. By offering the product with the right combination of the marketing mix, marketers can improve their marketing effectiveness and their results. The 7Ps are fundamental actions and not options that marketing requires.

3. Method

In this chapter, we present the research method we decided to use, in order to collect information for the thesis. It matches with the different chosen tools which enable us to respond to the purpose. So, our main research objective is to deepen the knowledge concerning the digital music market in France, to learn about its current tendencies. First, we explain the reasons why we have chosen qualitative data and secondary data (supported by primary data). Then, we highlight our method to collect these data and select them. We remind the actors of the digital music market we are focused on are essentially the companies acting in it: the record-label firms, the retailers and finally the aggregators.

3.1. Research method

Our thesis is an exploration of what the current stage of the digital music market in France is, and its tendencies are. One of the ways to reach this goal is to deepen the knowledge concerning this market, to learn about the current general tendencies of the latter, the business strategies implemented by the actors of this market who evolve in it. Thus, our research method looks like a descriptive one. Thereby, several choices have to be made between different alternatives. That concerns qualitative and quantitative data, but also primary and secondary data.

3.1.1. Qualitative or quantitative data

To describe our market we need to collect data. There are two possibilities of data: qualitative and quantitative data (Clarke, 1999, p.65).

The qualitative approach, “measures a small sample of customers’ views”. A qualitative approach enables to get qualitative data, which are usually more in the form of words than numbers (Miles and Huberman, 1994, page 1). “Qualitative data are a source of well-grounded, rich descriptions“(ibid.).

A quantitative approach “provides statistics from a large sample of consumers”. A quantitative approach enables to get quantitative data, creates numerical data. Silverman (2006) explains that a “quantitative research objectively reports reality” (p.35). Quantitative data explicitly consist of numbers, statistics and percentages (Clarke, 1999, p.65).

We want to explore the current trends of the digital music market in France. A qualitative approach enables to get rich descriptions and also to observe a current situation (Miles & Huberman, 1994, p.1). Due to this fact, our choice is oriented to the qualitative approach, even if “analyzing qualitative data can sometimes be a complicated business” (Bryman and Burgess, 1994). It enables us to explore and describe the current stage of the digital music market in France, its situation, its tendencies. Nevertheless, qualitative data could be subjective because they can reflect the appreciation and the interpretation of the author. So, to make the difference between all qualitative information we can collect is required in order to choose reliable and valid data.

3.1.2. Primary and secondary data

Another choice has to be made concerning data. This dilemma does not remind in the characteristics of those information but in the way to acquire them (Clarke, 1999, p.66). So, a distinction has to be made: primary research method or secondary research method; matching with primary or secondary data collected (ibid.).

Primary data are gathered for a specific purpose or for a specific research (Kotler, 2000). In other terms, you collect data yourself by one or several collecting methods you have created (Clarke, 1999,

p.66). Hence, that involves using research instruments. For instance, as tools, you can have surveys, questionnaires, diaries, case studies, observation, interviews, focus group interview and so on (Clarke, 1999, p.66). Thus, all the information you collect, are unique and specific to your research, until their publication.

Secondary data are collected by someone else for another purpose. So, they already exist somewhere; in other supports, in other documents (Kotler, 2000). Nowadays, there are many sources which publish academic research, internal documents produced by organizations and so on; making the process to get secondary data easy and fast (Harris, 2001). Secondary data can also be found in supports as books, reports, articles from magazines, articles from newspapers and so forth. In addition, using secondary data collection enables to access to a useful source of information or even a trend data (Clarke, 1999, p.66). Another characteristic is the fact that they can be used in different ways: either by reporting data in its original format without any change or they can be modified by using those information for another purpose than the original one. The latter looks like a re-interpretation or analysis of the data collection from other sources than yours.

On the one hand, our choice is oriented to secondary data. Due to the fact they are extracted from other sources dedicated to other purposes, they can already give responses to some issues or questions we wonder about the purpose. They also give information about some aspects required for the thesis that we maybe did not think about by creating and using a primary data approach; the information not directly available (Kotler et al., 2008, p.335). For instance, they can tackle with the trends of the digital music market in France; describe it, the specific actors of the digital music market in France and their approaches to continue their activity in this market. Moreover, we want to explore the trends. Secondary data collected may have already highlighted trends or specificities which have become global, survey useful companies for our purpose (maybe their business approaches in this market).

On the other hand, secondary data can present some problems, as the fact that the information needed can be either not available or not usable or do not exist (Kotler et al., 2008, p.335). Secondary data are like a starting point for research but to complete the latter, primary data can be collected (ibid.). In the digital music market in France, the scale of actors starts at the step of the artist who creates music and finishes at the step of the last distributor who sells music to the customer. Thus, the diversity and the heterogeneity of actors are important, with different sizes: main actors, important, small or even individual. We desire to get primary data about the music market in France and the business approaches of companies acting in it. So, in this thesis, some information may not be accessible to highlight the trends of the current digital music market in France, its state, or the business approaches of the companies inside. The use of a primary research method would make those business approaches clearer. Furthermore, it enables us to get information not usually present in secondary data: the feelings of the actors. These ones are able to say more about the current stage of the digital market. Moreover, some aspects such as the observation of interfaces (place to find digitalized music) need to be done for a complete exploration of the digital music market's trends and state, through the 7Ps.

3.2. The application of the method

3.2.1. Collecting method secondary data

To answer our purpose, the majority of data we want to collect is secondary data. They are extracted from existing supports as articles, journals, books, thesis papers, data reports. So, we use all of these tools to gather information.

In the aim to collect useful and usable secondary data related to our purpose, some tools are employed. First, we favor the books we can access thanks to the Halmstad's library or the library at Halmstad University. However, most of information comes from Internet (books on Internet, data reports and so forth), due to the fact that "online marketing research...the largest single data collection methodology" (Kotler et al., 2008, p.342). In practice, we use Internet with a key words capture. These words are the ones we think they enable us getting information we want about the digital music market and its trends. For instance, some of them can be: "digital music market" and not only "music market", "digital music industry", "digital music distribution" and so on. This technique enables us to access to a certain numbers of articles, books, extracts from books, data reports... we briefly read to know if they are relevant to the latter; by studying the table of contents or the abstract for instance, and then we check the references if they are reliable or not. In a positive case, the next step is a more precise reading and finally the selection of information. Then, we also collect information from articles in magazines, study reports, articles in newspapers, our recent own experiences and so forth. For each one, we use the same practice method as previously mentioned, except for the key words which are not captures but mostly identified in titles. We also use blogs we judge relevant, because they were maintain and written by journalists and companies studied. The next stage is to gather all data collected from Internet and other supports, to blend them, to analyze them if we can use it in our purpose. If this is, we use it and mention it in the thesis.

3.2.2. Collecting method for primary data

In our thesis, we also seek to collect primary data. This is done through observations and an interview.

3.2.3. Observations

The marketing mix is composed of seven variables: the 7Ps. Usable information for some of those criteria are available from secondary sources; but not for all. Indeed, some required observations. Thus, concerning the promotion, observations of online interfaces where you can find digital music, are required. It is the same for the process of a digital interface or even for the physical evidence of the digital music market. Furthermore, these observations are done on the current most innovative companies of the digital music market. So, they underline directly the current tendencies, the current state. This technique enables us to be the most precise as possible for such a purpose.

3.3. The interview

3.3.1. General Content

In order to collect all useful and handy data for our purpose and to support secondary data collected, we decided to observe several actors of the current digital music market in France. This collection will be done through a qualitative method: the qualitative interviewing (appendix 2, p.64 ; appendix 3, p.70); which enables us to access to desired qualitative data, particularly about the current stage of the digital music market, in France, and the interviewees' feelings. This enables us to learn more about the trends of this market and the business approaches which have been done by companies. Like secondary data, primary data have to be relevant to our purpose (fitting research project needs), current and accurate with a reliable collection and report (Kotler, et al., p.335).

3.3.2. The objectives of our qualitative interviewing

Interviews are recognized as one the most commonly forms and tools, of qualitative research method (Mason, 1996, p.39). A qualitative interview is a "tool of research, an intentional way of learning about people's feelings, thoughts and experiences" (Rubin & Rubin, 1995, p.2). This kind of

interview enables interviewees to describe and talk about their situations and feelings (Stringer, 1996, p.62). Therefore, for a qualitative interviewing, an intense listening, a curiosity and respect for what people say, an effort to understand what people tell you, are needed (Rubin & Rubin, 1995, p.17). Then, thanks to this mean, the researcher gets information it can later analyzes (Rubin & Rubin, 1995, p.2). In a nutshell, a qualitative interviewing enables to collect, save and stock useful qualitative information for researchers. In our case, the qualitative interview enables to get qualitative data non-present or inaccessible in secondary data sources, to explore the current state of the digital music market in France. This includes knowing their policy on the 7Ps of the marketing mix, what they implement to act in this market, their feelings about the current stage of the market (Kotler et al, 2008, p.335).

An interview is usually administered in face to face, between an interviewer and an interviewee person, with the appearance of a conversation (Mason, 1996, p.38). Other ways of administration exist: by telephone, by Internet, personally or in groups (Kotler et al., 2008, p.338). We desire to contact several companies, several actors of the digital music market. Thereby, our interview is personal, directly sent to companies. With the distance between Sweden and France, the administration in face to face of a qualitative interviewing seems difficult. Consequently, Internet is a solution to pass over this constraint.

On the one hand, some software enable being in direct interaction with an interlocutor, as a face to face: Skype, Windows Live Messenger. But that presumes to have software personal addresses of all the companies or specific person we want to contact. This process is long, difficult and even impossible because these are personal data. On the other hand, sending interviews by mails is easier; by sending a message to the computer mailbox of a person (Zimmerman, 2000, p.12). Thus, our choice is oriented to the sending by mail. But other characteristics have to be taken into consideration..

Figure 4: Strengths and weaknesses of mailing

	MAIL
Flexibility	Poor
Quantity of data that can be collected	Good
Control of interviewer effects	Excellent
Control of sample	Fair
Speed of data collection	Poor
Response rate	Fair
Cost	Good

Source: Created by the authors, according to Kotler et al., 2008, p.338

The previous pattern reflects the main strengths of using mails as a contact method. We can observe that the advantages of this method are the control of interviewer effects and the quantity of data which can be collected by researchers.

Another reason of our choice is the fact that sending our interview by mailing enables us to contact a large number of people (Kotler et al., p.338). Therefore, it enables us to get a large amount of information from actors of the digital music market in France: responses for our purpose. Due to this wide amount, some current trends of this market can be highlighted, several feelings about the current situation can be collected and the business approaches of the interviewed companies can be underlined.

The mailing method is well-known to be cheaper than other methods to collect information, as observed in the previous pattern (Figure 4). By taking into account the fact our economic means are reduced, or even inexistent, the possible fact to make and administrate an interview by oneself was a criterion in our choice. (Kotler et al., 2008, p.338)

3.3.3. Choice of respondents

In order to match with our purpose, the target respondents of our interview are the actors who act in the digital music market, in France. However, this thesis is about the trends of the digital music market and consequently concerns the action of companies acting in it. As we study the digital approach, our population is above all the ones whom commercialize and distribute music on the digital market. Thus, our interview is directly focused on these firms. Thereby, in the term of 'respondents', are contained the professional who create and sell recorder music as the music-label companies. Moreover, we have the retailer companies and the aggregators: middle man who gathers and organizes the offer of producer. Indeed, the aggregator numerates the music label's portfolio or of self produced artists, and offers it to online music store (Astor, 2007).

3.3.4. The list of respondents

After defining the respondents, a list needs to be created to manage the interviewees. This list is not only a substitute employed for traditional marketing activities but more a tool to improve those activities; possible improving through the effective use of customer information (Linton, 1995, p.2). So, it enables us to improve the effectiveness of our marketing approach: sending an interview. The list enables researchers to improve performance in several key areas: understanding customers or the market, managing customer service or sales operations, managing marketing campaigns and communicating with customers (Linton, 1995, p.4). In our context, the use of the list (appendix 1, p.63) is to manage our interview, more precisely to manage the companies we are focused on for our interview; in the aim to be more effective.

But a list consists also in using quality data (Linton, 1995, p.15). In our case, using quality data enables to have a high rate of responses among the actors we are focused on but also a targeted marketing. So, the data have to be reliable, available and accurate. To collect information for our purpose and reach the objective of this interview, we use three different ways to have reliable contact and data: the snowballing effect, the first hand contact and the second hand contact. From our own experience, particularly in companies working in the digital music market in France or abroad, we have joined people able to give us information for our purpose but also to provide us names of persons to contact: this phenomenon is called the snowballing effect. Nevertheless, we also use first hand contacts: people who directly have information we want to get. They are our target for the sending of the interview because they can give important data for our purpose, are directly

confronted with the digital music market in France and the business approaches of their companies to evolve in it, they can share their feelings about the current stage of this market. Then, we take into account second hand contacts: people who are not directly aware about the specific business approaches of their companies in the market, people who not prone to answer our interview but who know important and useful information for our purpose. So we obtained information thanks to first hand contacts (contact we already knew), second hand contact (contact that we obtained from a third part) and contact that we found on internet (appendix 1 p.62).

So, a list has to be efficient, detailed and qualitative (Linton, 1995, p.15). Our document is built in a way to answer these overall principles. We keep in our 'catalogue' useful information to send the interview: the firm and the person within it we have to contact, and how to join him or her. It contains information as the name of the firm, its activity in the digital music market, the name of the person interviewed or the second hand contact, its status in the company, the useful numbers phones or addresses (postal or e-mail) and so on.

3.3.5. General characteristics of our qualitative interviewing

The qualitative interview we decided to create is established on the miscellaneous information about how to make and structure a good interview. So, our tool to get data respects those rules. The latter are further specified in this thesis. This method has the aim to reach our objective previously explained.

Then, our interview is written in French, due to the fact we observe companies which act in the digital music market in France. Most of them are French companies, more or less big. For the comprehension of everybody, the qualitative interview is present in the appendix in its original form. However, a translation has been made for each question on another appendix.

(Appendix 2, p.64)

3.3.6. Writing of the interview

The writing of an interview is set in accordance with the kinds of information to collect (Mason, 1996, p.39). It consists in employing a good structure and appropriate questions; even more because of the fact the interview is sent by mail. The goal being to answer to our purpose by guiding people to supply information we need.

An interview can be entirely composed of closed questions, completely composed of opened questions or finally it can mix alike (Chisnall, 2004, p.162). On the one hand, our decision has been directed in such a way to mix opened and closed questions. It consists in mixing closed questions which impose a precise form of questions (which are also limited in a term of number), with opened questions where the interviewee develops a free answer in its length and its form (Al Adarissa, 2009). Thus, our interview is a like 'multiple-choices interview', as can be a multiple-choices questionnaire. It enables diversified answers and the results are easier to analyze than for an interview just containing opened questions. In addition, we favor opened questions where the interviewed person is free to answer and develop, particularly if it explains its feelings or its approach in the digital music market in France (Rubin & Rubin, 1995, p.2).

For the length, we prefer writing a short interview, due to the fact we favor opened questions. Indeed, basically people have more to think about the answer they will give, what they want to say or not, what they know or not... Thereby, it is longer than crossing boxes (closed questions). Therefore, the questionnaire will not exceed ten questions.

Moreover, our interview is structured from the largest to the most precise. The goal is to attract little by little the interviewee, to provoke a feeling of implication by starting with easy questions in order to make the interviewed person confident. Finally, it enables us to get information about the actor's approach, its feelings, its strategies, the current trends of the market. The overall structure is composed of two spaces: one dedicated to know the marketing strategies employed and the other for the identification of the questioned person. (Al Adarissa, 2009)

On the one hand, at the step of the questions and their content, they have to be in accordance with the respondents (Rubin & Rubin, 1995, p.19). This passes through adapted terms to the target respondents and easily comprehensible questions. That means the formulation has to be precise and has to answer to different criteria: Who? What? Where? When? How? Why? (Al Adarissa, 2009). So, our interview is entirely written in terms adapted to our interviewees. On the other hand, the formulation gets to be correct and questions have to be neutral and simple (ibid.). Questions have to be clear and not ambiguous, for instance with words which do not have the same meaning for everybody (Rubin & Rubin, 1995, p.18). In our interview, we are watchful about questions in order to they are only understood in one way in order to avoid interviewee's mistakes or its non-answer. Finally, the questions do not have to be written in a way that the questioned person wonders the same question for her activity, principally to make decisions for strategy and so on. In our interviewee, one part of our global objective is to know what the actors think about the trends of the digital music market in France. The last characteristic is that no question has to be sudden and violent in order to avoid the wrong answers or lies. So, we have to favor transitions (Lendrevie et al., 2006 p.79 to 81).

3.3.7. The interview

The document has to respect all the rules and principles previously enumerated. Thus, it is composed of three principal parts: a "cover" letter, the questionnaire and finally a glossary (appendix 2 and 3, page 64 and 70).

The 'cover' letter of the file is an introduction of our survey. It has a real importance, particularly because of the fact we send our interview by mail and there is no physical contact between us and interviewees. It is a letter we wrote to inform companies we sent the document, of the objective of our approach. So, we present ourselves (names, studies...) and the reason of our sending. Moreover, we highlight the importance of their answer, for us and our analysis.

Concerning the content of questions, in the first one we interest ourselves about the overall goal of the company. It is like an introduction to show to the respondent that we really pay attention of its company and not only about what we want to know. Moreover, that enables us to know the overall companies' objectives to act in the digital music market in France: to increase their profits, to increase their corporate image... Then, we want to know the interests of the companies for the digital music market in France. We desire to know why, for firms, to be in the digital music market is important, the reason of their choice to act in this sector and the opportunities according to them to be in it. The next part of the structure, always in an objective to be more and more precise, is to talk about the Information and Communication Technologies and what these organizations think about (questions 3 and 4). It is the linking point between the digital music market, its trends and finally the last approaches of the firms. That enables to avoid sudden and violent questions without any connections. The next step tackles the strategies of the companies (from question 5 until question 8 included): the most important point of the interview. Hence, more questions are dedicated to it in order to know with precision their approaches, to understand their trends and what are their ideas and feelings; based on a study of the 7Ps. Finally, we ask them their mind about websites which distribute digitalized music without any download and what they think about; to know their feelings about these actors of the digital music market in France. Finally, another question is dedicated to

other possible comments of the interviewee. In a last part, a space is dedicated to the identification of the interviewee: its name, its company, its status in the company.

“Even when the interviewer and the interviewee seem to speaking the same language, the words they use may have different connotations“(Rubin & Rubin, 1995, p.18). Even if the interview is sent to professionals and so far as possible to marketing managers, a glossary is present to define some technical words in the questionnaire, did not understand by anyone or understood in another way. It is just a reference to help the interviewed and to understand the way in which we define the terms.

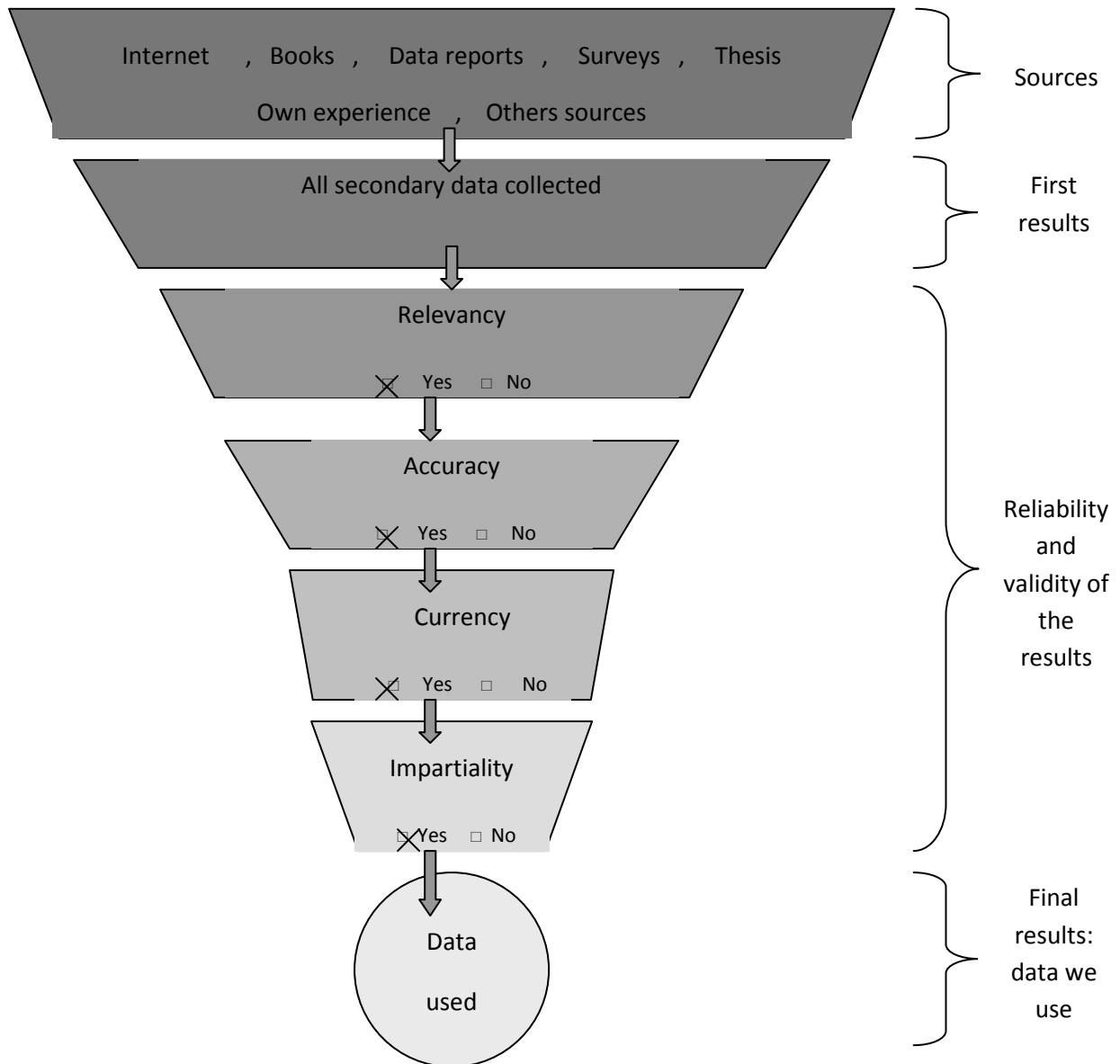
3.3.8. The sending

Our interview has been sent to companies we are focused on. The mail method has been favored. As previously said, those companies are record-label firms, retailers and aggregators. This sending is possible thanks to the list of respondents previously drafted.

3.3.9. Reliability and validity of data collected

In order to exploit the data gathered, we have to check their reliability and validity. Indeed, even if data are found in the different supports previously expounded, they might not be usable for our purpose (Kotler et al., 2008, p.335). It concerns essentially secondary sources with data found in supports written by authors for other purposes. To verify their reliability and their validity, we have to pay attention four criteria: relevancy, accuracy, currency and impartiality of these data.

The relevancy consists in measuring how the data fits to the research projects needs. For instance, in this thesis, we have to observe if the data collected fits to our purpose and is a help for the paper. It is a first step of selection. If the data are relevant, we have to check their accuracy: to know if they are reliably collected and reported. An example is to verify the source of the data and identify if the latter could be reliable or not; as to prefer information coming from official sources like a ministry website rather than from a blog written by an unknown individual. In a positive case, the next step is to judge the currency of the data by observing if they are up-to-date enough for current decisions, as here for the analysis of the current state of the digital music market in France. Concerning the observations to collect primary data, particularly for the process and the physical environment, these ones are currently done. These three criteria of selection are not required for the primary data, due to the fact we have previously made a selection between interviewees, about the current trends of the digital music market in France. So, the data collected are relevant, current and accurate. Finally, the last step of the selection is the impartiality of the information collected. In their papers, authors can incorporate and communicate their personal points of view, their feelings, but the latter is not usable for a thesis; except for information directly collected from the interview.

Figure 5: Summary for our collecting method of data

Source: Created by the authors, based on Kotler et al. (2008)

3.3.10. Number of respondents

Our interview was sent by mail to companies included in the list of respondents. Thereby, the document was sent to fourteen addressees. However, among all the interviews, we received five returns. Thus, through the amount of responses get, we can judge the quality of the findings coming from our interview. On the one hand, the interviews collected (and the data) are precise, argued and the interviewees answered each questions. Thereby, the quality of the data collected can be seen as good. Moreover, for the interviews gathered, a maximum of three reminders was done. That enables to know interviewees paid attention to the latter and were not in an optic of disposing of it. Nevertheless, on the other hand, a lot of responses would have enable a better quality observation of the companies acting in the digital music market in France, a better quality for the analysis of the current stage of this market, a more complete information.

4. Empirical results

In this chapter, we highlight the empirical findings, gathered thanks to sources as books, studies and so for; but also get through personal communications, personal knowledge, experiences, observations and the results of our interview. So, we describe the primary and secondary data found that we will be able to interpret. Our approach will be structured on the 7Ps strategy.

4.1. The digital market

In 2009, the digital market represented about 9% of the music market in France. (Nicolas, Véronique & Ermissé, 2009). It is a low level in comparison with the digital worldwide market which represented 27% of the overall music market the same year, and about 40 % for the American market (IFPI, 2009). But, according to Gregory Hot de Benardi, sales manager of the downloading platform 121 music stores, the American tendencies arrive generally a little bit later in France. Indeed, this market is in a growing stage in France (+26% in 2009). The Forrester Research predicts that the digital music market will be superior to the physical in 2013, with a market share of 53% in Europe (Beuth, 2009). Like on the overall music market where four companies called the majors (Universal, Sony-BMG, Warner and EMI) share more than the 75% of the market (IFPI, 2005), the digital market is as well dominated by these companies. Indeed, during the first semester of 2009, there was only one song from an independent label in the top ten of downloaded songs on Internet (Nicolas, 2009).

4.2. Product

4.2.1. The formats

Digital music files are the songs which can be listened in compressed formats, such as MP3 (Mpeg-Layer 3), WAV (Waveform Audio File Format), AIF (Audio Interchangeable Files Format) or AAC (MPEG-2 Advanced Audio Coding). It keeps CD or near-CD quality (Brandenburg, Popp, 2000). The quality of music is measured in kilobits per second (Kb/s), representing the rate of the data transferring. The higher it is, the better the quality of the record is (Pernot, 2008). AIF (Apple) and WAV (Windows) are widely used, and uncompressed. So, they retain all of the original data, it is lossless. The MP3 is the most common format but there is a little lost of quality. The MP3 best quality possible corresponds to 320 kb/s. AAC is the format on the iPod and its characteristics are close to the MP3 (Mansfield, 2005). We find also others lossless format like the FLAC (Free Lossless Audio Codec), used by Deutsche Grammophon. A study of the "Observatoire de la Musique" on a sample of one hundred music providers, stresses that the quality of songs is improving. On music stores, we will find mostly MP3, with an encoding between 256 and 320 kb/s (Deepblue, 2007; Nicolas, 2009). All the firms and people we ask in our writing interview (2010) would like to raise again the quality of songs.

4.2.2. The mix

To raise the interest of customers onto legal interfaces, several strategies have been developed by companies; with the goal to offer new advantages by downloading legal music. We will describe later some of these strategies.

Xavier Gaillot, creator of « Mix.dj », offers a larger product through the mix. The latter provides unique soundtracks by combining several songs. Moreover, it fulfills the need for fans to be aware on time of the last trend. Deejays chose songs and mix them. Then, the consumers search the original tracks presented in the mix. So, it uses deejays as "trend spreader". (Chambon & Lestrade, 2008, p.32).

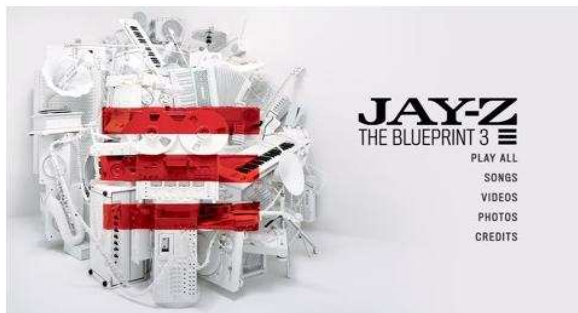
4.2.3. Package of music

There are several ways to commercialize downloadable music files. In 2009, the “a-la-carte” system which enables client to pick titles from different albums, represented almost half of the value created by downloading platform (Nantel, 2003; Snep, 2010). Moreover, during the first semester of 2009, the medium basket of purchase was about 1,87 €, matching approximately with the purchase of two songs. That means that consumers pick unique songs among the array of music more than buying overall formula (Nicolas, 2009). Nevertheless, packages with several titles are widely commercialized. There is the album, package broadly spread on the tangible market. It contains between ten and twenty songs. Another package which is now mostly provided is the EP (Extended Play), with often five songs. It was historically made for artist who wanted to offer a first approach of their future album, while their fans were waiting for it. But on the digital market, it offers another interest: less expensive than the album, with enough songs to catch the style of an artist, consumers like it. The digital market enables also commercializing easily songs already recorded through compilations. Indeed, the cost of development is low, only the concept and the metadata have to be created (cover, editorial and so on). Moreover, consumers are guided in their choices of compilations, thanks to theme (Cristal Records, 2009).

4.2.4. More Metadata

Currently, there is a rising demand of metadata: lyrics (and their translation particularly in Japanese and Korean), songwriter, high quality covers and so forth. Technically, it is already difficult to offer a lot of metadata. But new formats are developed, such as the iTunes LP or the MusicDNA that we will present you (Chambon & Lestrade, 2008, p.35).

Figure 6: Interface of the Jay-Z's L.P. album

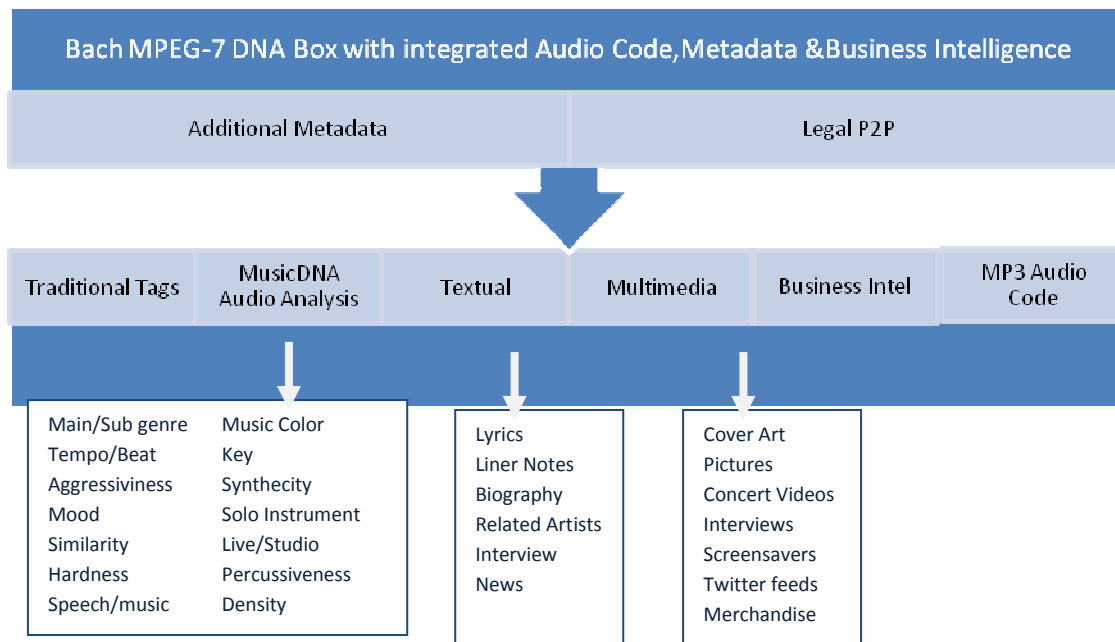


iTunes LP is a premium offer with pictures, videos, text. The presentation, when you open the files, is similar to a DVD. The videos remind us the bonus of DVD. The price is between 9,99€ and 13,99€.

Sources: Furno, 2009

Another similar format has been developed by Bach Technology, in collaboration with the Fraunhofer Institute of Digital Media Technologies: the MusicDNA. It can group as well as the iTunes L.P. large scale of metadata, until 32 Gigabits. One of its applications can also recognize metadata relative to a CD when you rip it. A player is available and it adapts the existing songs by adding metadata, corresponding with the songs which are listened to. Moreover, it offers a technology to enhance the search on sellers' interfaces (music store, streaming services). A user can find music according to mood, similar songs, artist, album or extensive music parameters like instrument density, music color or energy level. “The release of plug-ins for iTunes and Windows Media Player are scheduled for 2010 (bachtechnology.com, May 2010)”.

Figure 7, Bach MPEG DNA Box



Source: Music DNA Box (May 2010), bachtechnology.com

We see on the figure 7, that the offer of metadata is wide with the MusicDNA. Interactive services are offers as well such as tweeter feeds.

4.2.5. Streaming against downloadable music

We will see in the placement and process part that there are several possibilities to commercialize music, on different kinds of places. The streaming websites and their interface is one of these possibilities. It offers a unique reading of music on the interface of the organizations which deliver this service, while on music stores you can acquire music, stock it and use it endlessly (Rhapsody, 2006).

Figure 8: Streaming on demand additional services

Type of Offer	Specificity of the offer and examples of interface using it.
Editorial	Actuality (Jiwa, Jamendo and Wormee)
	Biography (Spotify,Deezer,Songza;LastFm)
Web radio or playlist by themes	Jiwa, Jamendo, Deezer, Spotify
Social Network	Share playlist, Comment and messages, Grading songs

Source: created by the authors, according to Nicolas (2010), Spotify.com, Deezer.com and Songza.org (May2010).

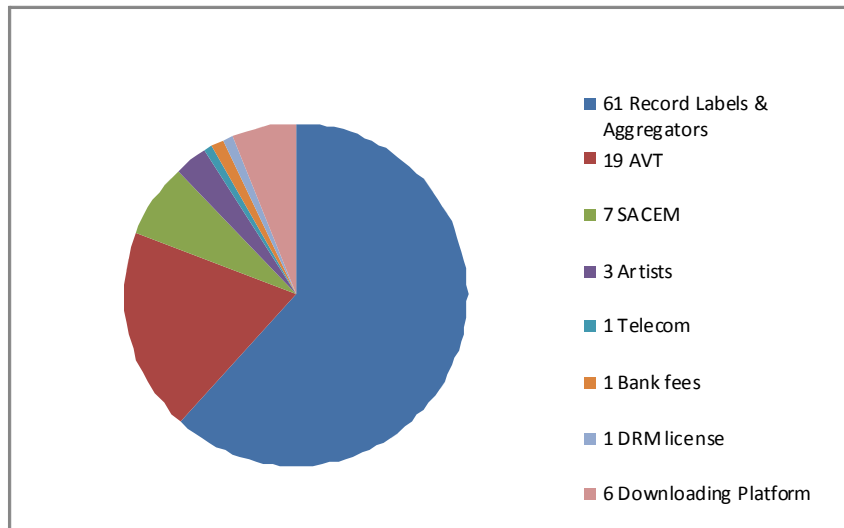
The extended services offers on streaming services are little bit different because they are offer online. It can be editorial services. Spotify and Deezer offers detailed biography while Songza aggregate editorial information from Google. Last FM uses the UGC (Users generate content) approach, like on Wikipedia (where the visitors feeds information). iLikes broadcast artists and their entourage's tweet (short message from Twitter). Streaming services offer as well web radio and playlist by theme, and social network (Nicolas, 2010).

4.3. Price

4.3.1. Downloading

The medium price of a title downloadable on a computer, in 2008, was about 0,77 € (Nicolas, 2009). Thanks to the popularity of the Apple music reader, the iPod, Apple has more or less made the pricing policy. The prices are generally about 0,99€ for a title and 9,90€ for an album. But prices change for particular products such as sneaking preview songs (with a price superior than 1€), double-album with more than fifteen songs, or promotional offers like albums for 6,99€ (Kaplan, 2007). According to Denis Ladegaillerie (2010), director of Believe, the co-leader on the aggregator market in France, most of songs are sold between 0,79€ and 0,99€ (Lecoeur, 2010). The prices are quite consistent on each interface. A study of the French organism "Observatoire de la Musique" on forty free music stores, showed that only iTunes and AmazonMP3 differentiate their prices between types of catalogs: premium, back catalog and so on (Nicolas,2009).

Figure 9, Allocation of incomes for a songs sold 99 cents



Source: Magazine Challenges n°61, 2006-01-05 p.30

According to the figure 9, record-label companies and aggregators obtained on average 0,61€ of the 0.99€ for a song. It takes into account the production; the encoding of songs, the marketing and all the others administrative fees (Challenges, 2006, p.30). Aggregator generally takes 30% of this

income. So, eventually aggregators perceive about 0,18 € on the 0,99€ while labels collect about 0,43 € (Astor,2010).But, even with the biggest part on the sale of digital music, it is hard for labels to reach the break even point, due to the cost of investment (Curien & Moreau, 2005). Artists and songwriters share 0,03€ (Challenges,2006,p.30). They get also incomes from the SACEM (*Société des auteurs, compositeurs et éditeurs de musique*), an entity which manage the authors' rights by collecting incomes and then by sharing it among the composers, songwriters and publishers (Tissier, 2009, p.66). On the 0,99€ of a song, the SACEM collects 7 cents. The distribution on downloading platform cost six cents and takes into account the investment on hard disk, the tagging of songs, the creation and the maintenance of the website. Divers Costs gather AVT, telecoms, Bank fees and DRM license for 22 cents (Challenges, 2006). The Added Value tax (AVT) is a tax "relative to the value that a producer adds to its raw materials for purchases, before selling the new, or improve product or service" (Tait, 2001, p.4). The Digital Rights Management (DRM) is a system which manage the delivery of information lean upon the use of digital cultural products and which control it by statistics (Nicolas, 2009).

4.3.2. Streaming

The advertising of a third part company enables collecting money. Indeed, it represents 80% to 90% of the streaming incomes. Affiliate marketing, resulting from links to download interface, enables as well perceiving a (low) income with commission on leads or sales. Spotify and recently (2010) Deezer, have added a funds approach on subscription. Indeed, the offer of the companies is divided on two types: the basic which is free, and a premium with a monthly subscription. According to B.Benassaya (2010), director of Deezer, the ideal price for customers would be about 5€ .But, this price is set for 9, 99 € on Spotify, and 4, 99€ for the "premium" and 9,99€ for the "premium plus" on Deezer. Both companies market also an unlimited day pass for about 1€. (Silly, 2010; Torregano, 2010; Deezer.com, 2010; Spotify.fr, 2010).

The aggregator earns between 50% and 65% of the incomes due to advertising and subscription. Then the label collect between 70% and 90 % of incomes perceived by aggregators (so, between 0,35% and 0,585% of the overall incomes for label and between 0,15 % and between 0,05 and 0,195 for the aggregator).Deezer distributed between November 2009 and May 2010, between 0,03€ to 0,06€ per listening (so for the label it represents eventually between 0,21 and 0,54 cents per listening). However the subscription provide between 2 and 4 cents per listening (eventually 1,4 to 3,6 cents per listening). Spotify has given between 0,04 and 0,1 cents per listening with the advertising system and about 1 cents with the subscription. Nevertheless Spotify have more than 250 000 premium subscriber (in the world) while Deezer have only between 15 000 and 20 000 subscribers, and we have seen that subscription enable to collect more money. (Astor, 2010). So the advertising approach of Deezer is much more developed whereas Spotify is ahead of Deezer about subscription. But subscription is still a marginal way to commercialize streaming, it represented only 4,5% of the users of Spotify in 2010 (Torregano,2010). Eventually, the streaming services are not so interesting for producer in term of incomes because the amount of money is still low (Cristal Records, Talitres Records, May 2010).

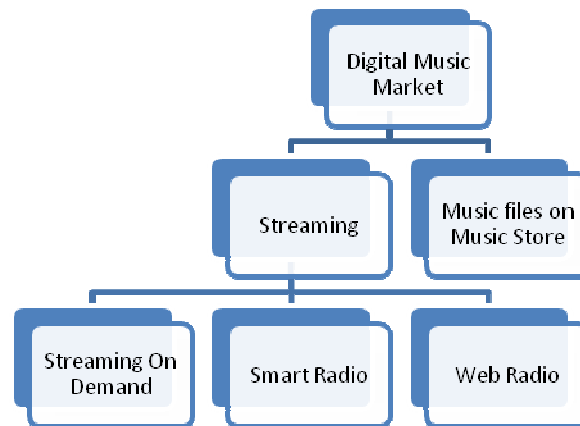
4.4. Placement

4.4.1. The actors

In the current digital music market in France, sundry actors are present, coming from different sectors: musical production, publishing, cell phone companies, informatics and so forth (Nicolas, 2009).The majors actor are the producers, the aggregators and the retailers. The producers are the artists and the labels. Artists create music (composition, writing and performing). The record

companies (label) manage the creation. Indeed, labels sign and promote artists, produce and market their songs (Clermon, Gu & Lang, 2002, p.4). The aggregator is a middle man which groups and organizes the offer of producer. This intermediary numerates the portfolio of record companies or self produced artist and offers it to retailers (Astor, 2007, 2010). It enables treating with a limited number of actors, specialized in this work (Lendrevie et al.2006). Eventually, the retailers offer music files to consumers. They files can be sold (downloading plateforme) or hired (streaming services).

Figure 10 Place segmentation



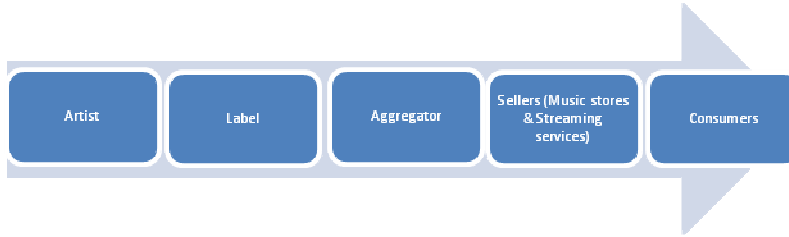
Source: created by the authors, 2010

In music store, you can directly acquire music files. This way of consumption suffers of the illegal market that enables almost as easily getting songs for free (Zelnic, Toubon & Cerutti, 2010). The iTunes Music Store is the world number one of digital music stores, with 70% of digital music sold, and may obtain a quarter of the worldwide music market in 2012 (Van Buskirk, 2008). In France, the others big music stores are Emusic and the leaders of the physical market, Virgin Mega and FnacMusic (Moreau & Curien, 2005; Pernot, 2008 p.52).

On streaming services, you can read almost simultaneously music or video files. Streaming has evolved tremendously those last years, with a legal approach (agreement with music labels, aggregators, and the organisms representing the rights of authors and composers), design and handy platform (Nicolas, 2010; Pernot, 2008, p.44-45). The streaming collected one third (29 %, 6,4 millions of euros) of the digital music incomes in France for the first semester of 2010 and 5% of the overall market. It offers much more diversity than television or traditional radio (Yotanka-Yozik, May 2010; Nicolas, 2010). Indeed, in 2007, there were about 3500 titles broadcast on traditional radio on average while in 2010, streaming services offer millions of titles (Nicolas, 2007, 2010). Moreover, in 2008, there were about two-hundred-fifty streaming services in France, and Internet enables an access of interfaces hosting everywhere in the world (Pernot, 2008, p.45). There are three kinds of places where a user can find streaming music on Internet. First, the streaming on demand services where Internet users participate in the creation of playlist and the providing of information. The leaders of the French streaming on demand market are Deezer and Spotify (Silly, 2010). Then, we find smaller actors as Wormee and MusicMe. Streaming has also favored the development of web radio, which offers programs and fluxes of music. The offer is much more diversified than on offline radio. Moreover, some radios share lives of big show and thereby, a unique experience (Nicolas, 2010). Finally, we find the smart radio which collect information about the listeners in order to tailor the music broadcast. In 2009, the most attractive smart radios were Jiwa, Last fm, iLike and Songza; but also Deezer and Spotify which dedicated an application to it (Nicolas, 2009).

4.4.1. The distribution channel

Figure 11 Traditional channel on digital music market



Source: created by the authors, 2010

Generally, on the current French digital music market, we find four actors to deliver music to consumer. Artist works with music label in order to produce music. Then, record-label firms work narrowly with aggregators to define the product policy in order to commercialize music files (determine the packaging, the design of the cover and the editorial features). Later, aggregators numerate the songs and offer it to sellers. Finally, sellers offer the songs to final consumers on their downloading or streaming interface (Cristal Records, May 2009).

Figure 12 Channel 2



Source: created by the authors, 2010

Sometimes the aggregator is suppressed. Because, Naïve, Harmonia Mundi, Abeille Musique and the four major, Sony, Universal, Warner and EMI, are labels which assure the aggregation function (Bureau export, April 2010).

Figure 13 Channel 3



Source by the authors, 2010

Artist can also deal directly with aggregators websites (Astor, 2007). The self-production is increasingly developed. Aggregators can also help unsigned artist in order to market and promote their album (Lecoeur, 2010). Jamendo is an interface specialized in the download and the streaming of independent artist (Nicolas, 2009). About 99% of artists' demands to integrate music record labels are rejected (Believe digital, 2009). In addition, with the deep music market crisis, producers hesitate to bet on artists (interview, May 2010). Thereby, this interface offers to unsigned artists a place to be distributed directly. Believe has also created a distribution interface for unsigned artists, Zimbalam. They can stop this collaboration whenever they want, and perceive 90% of the royalties. They just have to pay 19,99€ for one single and 29,99€ to numerate their products on the interface. Then, Zimbalam offers a reporting of sales and marketing tools (Believe digital, 2009). The communitarian

websites are also good examples of how the channel of distribution for digital music can be rethought. These structures integrates Internet user in the production process. Hence, the concept is that consumers will bet on an artist and then harvest the return on investment. This patronage can integrate the recording of an album, the creation of a video clip, the promotion and so on. Then, investors obtain incomes on the turnover in accordance with the amount they invest. We do not know yet if these initiatives, mostly promoted by newspapers, are relevant for the market, but more and more similar websites open to finance music or other works. (Mymajorcompany.com, 2010; Jonathan, 2010; Pernot, 2008, p.52).

4.4.2. Type of Places

In the current digital music market in France, we find different kinds of places. First, there are websites, such as Virgin Mega for downloadable music files and Deezer for the streaming services. Then, we have software connected to Internet: iTunes for downloading and Spotify for streaming (Kaplan, 2007; Nicolas, 2009).

4.5. Promotion

In this part we will speak about the promotion of digital music but also about the promotion by third part companies on the interfaces of streaming services. Indeed, we have seen that the ad support is the main resource of streaming websites. Hence, we think that it is interesting to talk about the possibilities suggested, in order to promote on these websites

4.5.1. General contents

Most of the investments in promotion of digital product is made when the album or compilation arrive. The possibility to promote music on traditional media such as television or radio is low, and so major labels have a priority on these channels due to their economical power. Thus, major labels have developed a model of centralized promotion on the physical market in order to sustain the sales, by pulling consumers to the market with high communications' investments. But the digital market weakens this approach (Curien & Moreau, 2005). Internet is an important media and enables the building of strong artist and label image. Information is wide and can be broadcasted really fast. The viral marketing is important for digital music (Nicolas, 2009). Indeed the promotion is now less centralized; with a communitarian logic, from consumer to consumer (Curien & Moreau, 2005).

4.5.2. Online advertising on streaming services

As we have seen, advertising is an important source of revenue for streaming services. Thus we will see several types of advertising. It can be a banner, static or dynamic. Indeed the gif format enables to pile up picture leading to an animation (Lavant, 2006). It can also be a video (2kmusic.com, Billboard.com, May 2010).

Figure 14 :Example of a banner on Wormee



Sources: Wormee.com, May 210

Interstitial are also offers. It is a screen publicity which appears between two web pages, generally while the second one is charging. However, it is generally judged intrusive by consumers (Sweeney, 2001).

Figure 15: Interstitial on Deezer



Source: DeezerMedia, May 2010

The advertising can also be represented in the background of the website.

Figure 16 : Background of the website Deezer.com with a promotional campaign for StudioLine



Source: DeezerMedia, 2010

Finally, we find audio spots between songs (Silly, 2010).

4.5.3. Online advertising for digital product

The online advertising for digital music is similar than the previous examples. We find also a lot of self-promotion on retailers' websites (Kaplan, 2007).

Figure 17: Banner interactive for the album of Melanie Dahan

We have at the right a promotion of Cristal Records and SunnySide Records for the digital album of Melanie Dahan which was spread on the information website Jazztimes in 2009 (Cristal Record, May 2009).



Source: Cristal Records 2009

4.5.1. Online Public Relationships (E-PR)

In order to provide good information, most of the websites of label, aggregators, and retailers are well furnished in information. Blogs can also be created such as Believe with *believemusic.wordpress.com* or Idol with *blog.idolweb.fr/*. The Widget enables providing interesting editorial tools. Indeed, it is a small web page which can be incorporated into websites, such as blogs or social networks. It offers information with a nice design, sometimes pictures, streaming songs or video (Chaffey et al., p.691).

On Internet, we can find also a lot of websites providing music news; the online version of physical newspapers, but also specialized websites such as Booska-P.com, Reggae.fr or 2kmusic.com. We also observe blogs, managed by journalists, like *digitaljukebox.fr*. Hence, the interest for digital music actors is to identify these purchasing advisors and create good relationship. Indeed, the company should provide them information about its activity, with traditional tools such as press release, digital tools like web conference or newsletter with interactive elements: videos, songs... (Booska-P.com, Reggae.fr, 2kmusic.com, Cristal Record, May 2010; Lannoo & Ankri, 2007,p.180).

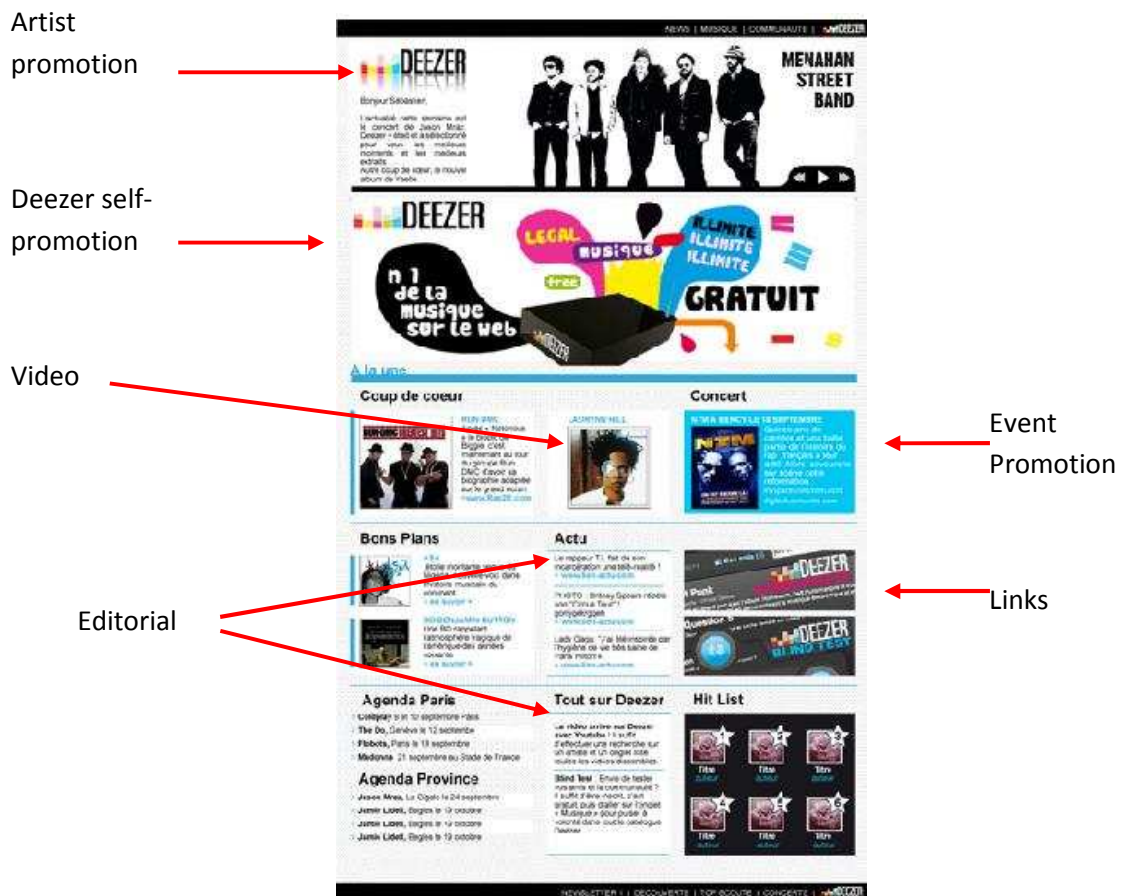
4.5.2. Affiliate marketing

Streaming websites offer links directed to download platforms. Thereby, the websites obtain a commission on the leads or purchases of visitors sent (Silly, 2010).

4.5.3. Newsletter

Newsletter and e-mailing are good ways to provide information to fans or purchasing advisor. Indeed, websites such as Deezer, succeed to collect an efficient database of clients interested in the actuality of the company and promote their products on time and for a low cost (Silly, 2010; DeezerMedia, 2010).

Figure 18: Deezer Newsletter



Source : Deezer Media, 2010

This newsletter enables promoting Deezer, but also offering interesting information about music by presenting artists or events. The design is close to the one of the interface.

4.5.4. E-Merchandising

E-Merchandising on the music market gathers different techniques in order to improve the purchases, such as personal recommendations. Nevertheless, we will talk about this promotional approach in the people and process part.

4.5.5. The importance of the interactions between consumers

McGuire & Slater (2005), in a consumer survey, stress the importance of the exchange for regular purchasers of music. Indeed, advices and interactions stimulate sales and are the main variables which lead the choice of the place for purchase. According to this study, 25% of the sales are due to interaction between visitors, through integrated tools on the sellers’ websites or on dedicated websites (Curien & Moreau, 2005).

4.5.6. Blogs

“Several years ago, people looked for good score discs in the music store big box. Today, people are looking for good music through blogs” (Magazine Trax, 2008). “A blog is a personal online diary, journal or news source compiled by one person, an internal team or external guest authors. Posting are usually, in different categories. Indeed, on Internet, you can find couples of those websites. Typically, comment can be added to each blog posting to help to create interactivity and feedback”

(Chaffey et al. 2009, p.11). It is an important media because it is widely consulted. So, the interest for labels is to create blogs with their music and to give them a special identity representative of their artistic spirit. Indeed, the link is closer with the fans than communitarian websites like Facebook or Myspace. On Mp3 blogs, Internet users can post and share demonstration of their music, mix, advice and so forth. Hence, it is a privileged place in order to build viral marketing (Magazine Trax, 2008; Lanoo & Ankri, 2007, p.184).

4.5.7. Video

Videos are an efficient tool to reach music fans. Services such as YouTube and DailyMotion, social networking sites or specialist television channels, enable sharing experiences and so, promoting music. Several artists have been discovered thanks to their video, because on these interfaces the files can be shared really fast (Lanoo & Ankri, 2007, p.184). But videos are expensive to film and produce (Ifpi, 2010). UMG, Sony and Emi have signed partnership with Youtube an Abu Dhabi Media Company and have launched VEVO in USA and Canada. It should reach Europe in the next months of 2010 (IFPI, 2010; Ducourtieux, 2009). “This interface is ad-supported distribution of professional music videos online through Vevo channel on YouTube” (IFPI, 2010). The idea is to create the Internet MTV. Simultaneously, according to the IFPI Warner signed a deal with YouTube in September 2009, to “publish back label’s songs and video, including a high-quality premium player, enhanced channels and links to artist websites” (Sandoval, 2009; International Federation of the Phonographic Industry (IFPI), 2010).

4.5.8. Social Network

Facebook, Myspace and Twitter are powerful mediums. “When people join Facebook or Myspace, they begin by creating a profile. Then, they make connections to friends. A profile is a list of identifying information. Members connect to others by sending a “friend” message, which must be accepted by the other party, in order to establish a link. After, the other member can access to your profile and exchange information with such as comment, video, links and so on” (Dwyer, Hiltz & Passerini, 2007, p.1).

Myspace provides a dedicated place for music (Myspace Music), which is one of the biggest reasons of its success. Indeed, music actors can write information about themselves or their organization, upload music and videos. Moreover, the design of the page can be customized. So, Myspace appeared the last years like a privileged interface in order to promote or discover music. Artists like Lily Allen and the Arctic Monkeys have used Myspace as a springboard to success. But it is not just artist who uses Myspace as a tool of promotion. Labels, clubs, radio...almost all the music industry has adopted it (Cieslak, 2006; personal observation, 2010).

While Myspace enjoys the success of its musical interface, rival websites like Facebook are riposting by introducing the same sorts of features. iLoves, a Facebook application, enables improving the concept of the first social network, to a musical interest. Indeed, the user can send musical dedication to friends, share playlist, consult and share musical discovered with friends. The person can also report its attendance to a musical event (Nicolas 2009; Cieslak, 2006). The last version of Spotify also enables sharing playlist on Facebook (Torregano, 2010).

“Twitter.com is used by millions of people all around the world, to stay connected to their friends, family members and coworkers through their computers and mobile phones. The interface enables users posting short messages (up to one-hundred-forty characters) that can be read by any other Twitter user. Users declare the people they are interested in following. It enables getting noticed when that person has posted a new message. A user who is being followed by another user does not necessarily has to reciprocate, following them back” (Huberman, Romero and Wu, 2008). So, fans

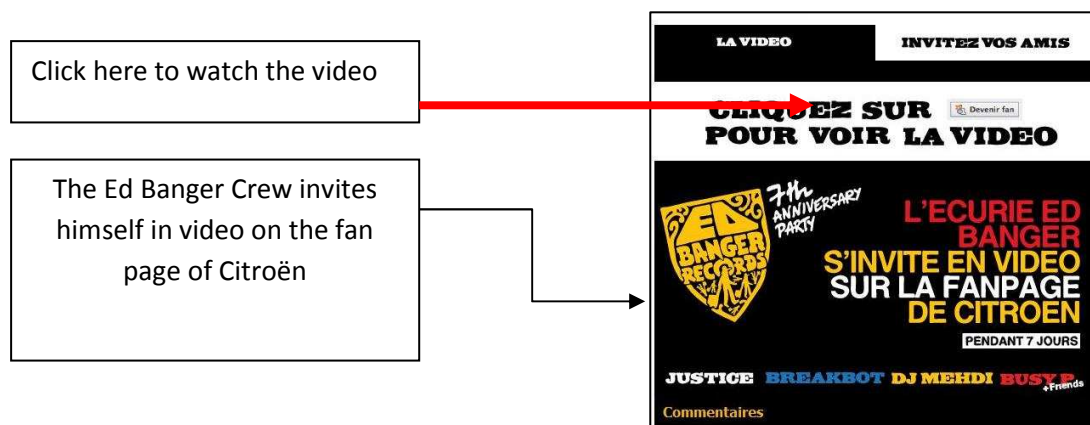
can follow the actuality of their favorite bands; websites or applications such as iLikes provided tweets of artists.

4.5.9. Offering samples

The downloading, even when it is illegal, improves the notoriety of artists. It enables for customer to discover more music. Eventually, it leads to a purchase in order to acquire a complete and best quality product (Peitz & Waelbroeck, 2005). An extreme illustration of this pattern can be related with the initiative of Radiohead. Indeed, in 2007, the British band offered its album “In the Rainbow” with a low quality but for whatever price the consumer wanted to pay (Pareles, 2007). Finally, it had enabled selling about three million albums (all formats) and collected the biggest value in publishing right that the band has ever done (Astor, 2009). Sampling techniques can also be used with streaming, like Myspace or most of label websites. They offer samples of albums to enables customer listening to music and stimulate their wants to acquire it (Myspace.com/laurentgarnier, blog.idolweb.fr, www.cristalrecords.com, May 2010).

4.5.10. Promotional Partnership

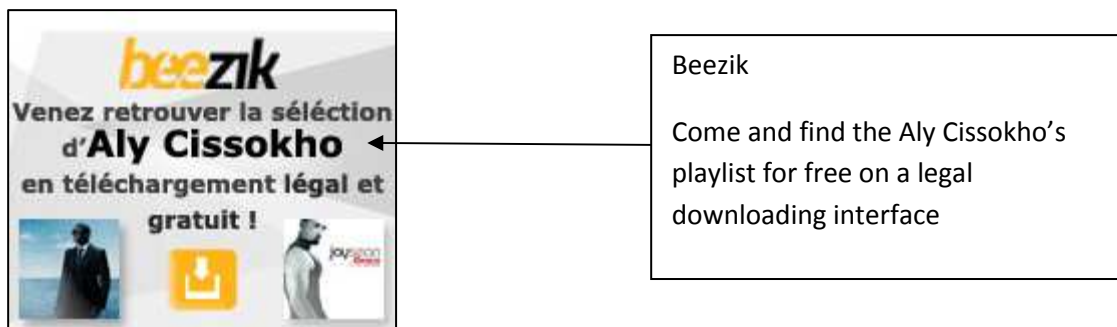
Figure 19: Citroën and Ed Banger’s Promotion on Facebook



Source: Facebook.com, 2010

On this advertising, broadcast on the famous social network Facebook, we can see a partnership between Citroën and artists in order to pull visitors to the car brand’s website. It uses the notoriety of the Ed Bangers’ team, a group of trendy Deejays from the French label Because (Facebook.com, 2010).

Figure 20 :Promotion of Beezik on football.365.com



Source: football365, 2010

We have here a similar use of notoriety by a Downloading interface which offers the playlist of a football player with advertising on a football website (football365.fr, 2010).

4.5.11. Personal Recommendations

Websites such as AmazonMP3, offer personal recommendations of music based on the previous purchase and the behavior of other consumers. Indeed, the organizations collect information and attempt to guess what might interest the client (Chiagouris & Wansley, 2000; Bensley, 2000).

4.5.12. Traditional channels

All the tools which have been described above are interesting in order to promote digital music, but it should be integrated in an overall communication plan. Indeed, media such as radio, newspaper or even television, enable widening the prospecting and drag visitors online (Allard, 2009).The costs are sensibly more expensive but partnerships can be find, like bundle digital music with the newspaper, techniques mostly used by specialized press (see in the process part about bundling techniques and partnership).

4.6. People

Initially, people bought their music in physical stores. Thus, a staff was present to advice them in their purchase act, to guide them, to help them if they needed. There was a physical interaction. With the digital revolution, a structural modification has been done. There is no physical contact between the staff and the customers. Thereby, an adaption was required for a market more and more dynamic. So, the staff's competences needed are not the same than before; always in the goal to advice and help persons. In the digital music interfaces, we can observe several platforms of interaction between the company and the customer. The major party represents a help for the users, even if the latter does not have a personal account. These sections tackle a global assistance, subscriptions, music, purchasing, community and so on. (Observations from www.Deezer.com, Spotify, iTunes, www.VirginMega.fr, www.fnac.com, www.musicstore.orange.fr, May 2010)

4.6.1. The tutorial

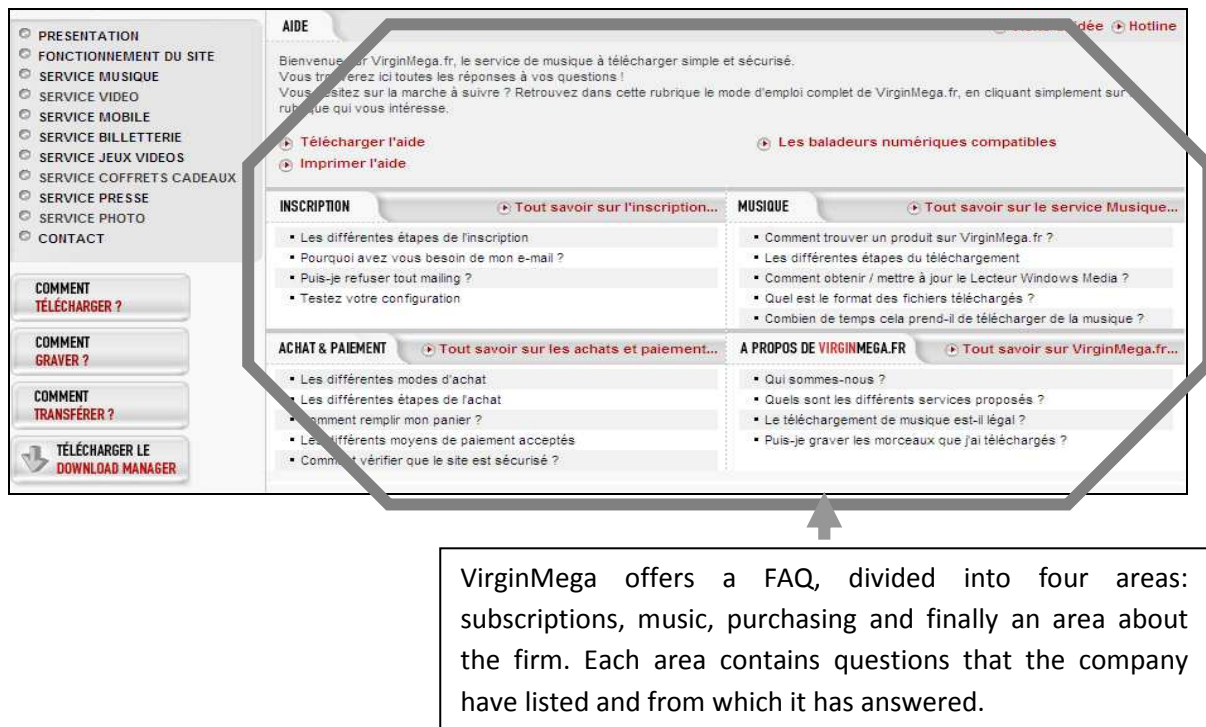
To help the Internet user, companies have established tutorials, present in their websites or software. It supplies explanations for the customers and can assist them for a possible subscription. Hence, this

is a way for the user to find solutions for the questions it wonders, but also to be guide. (Observations from www.Deezer.com, Spotify, www.VirginMega.fr, www.fnac.com, May 2010)

4.6.2. The Frequently Asked Questions

The Frequently Asked Questions, more commonly called a FAQ, is a compilation and a categorization of the questions frequently asked, by the firm (Chaffey et al., 2006, p.245). So, the user can easily find answers to its questions (Lannoo & Ankri, 2007, p.66). The advantage of such a help tool is the fact it enables a more alive and accessible presentation. For the organization, it also represents a way to switch a sensitive topic to a positive message (ibid.).

Figure 21: Example of VirginMega's FAQ



The screenshot shows the VirginMega website's help section. On the left is a vertical navigation menu with categories such as 'PRESENTATION', 'FONCTIONNEMENT DU SITE', 'SERVICE MUSIQUE', 'SERVICE VIDEO', 'SERVICE MOBILE', 'SERVICE BILLETTERIE', 'SERVICE JEUX VIDEOS', 'SERVICE COFFRETS CADEAUX', 'SERVICE PRESSE', 'SERVICE PHOTO', and 'CONTACT'. Below this menu are buttons for 'COMMENT TELECHARGER?', 'COMMENT GRAVER?', 'COMMENT TRANSFERER?', and 'TELECHARGER LE DOWNLOAD MANAGER'. The main content area is titled 'AIDE' and contains a welcome message: 'Bienvenue sur VirginMega.fr, le service de musique à télécharger simple et sécurisé. Vous trouverez ici toutes les réponses à vos questions! Vous êtes sur la marche à suivre? Retrouvez dans cette rubrique le mode d'emploi complet de VirginMega.fr, en cliquant simplement sur la rubrique qui vous intéresse.' Below this are four main sections, each with a 'Tout savoir sur...' link: 'INSCRIPTION' (with links like 'Les différentes étapes de l'inscription', 'Pourquoi avez vous besoin de mon e-mail?', 'Puis-je refuser tout mailing?', 'Testez votre configuration'), 'MUSIQUE' (with links like 'Comment trouver un produit sur VirginMega.fr?', 'Les différentes étapes du téléchargement', 'Comment obtenir / mettre à jour le Lecteur Windows Media?', 'Quel est le format des fichiers téléchargés?', 'Combien de temps cela prend-il de télécharger de la musique?'), 'ACHAT & PAIEMENT' (with links like 'Les différentes modes d'achat', 'Les différentes étapes de l'achat', 'Comment remplir mon panier?', 'Les différents moyens de paiement acceptés', 'Comment vérifier que le site est sécurisé?'), and 'A PROPOS DE VIRGINMEGA.FR' (with links like 'Qui sommes-nous?', 'Quels sont les différents services proposés?', 'Le téléchargement de musique est-il légal?', 'Puis-je graver les morceaux que j'ai téléchargés?'). A callout box with an arrow points to the FAQ content, stating: 'VirginMega offers a FAQ, divided into four areas: subscriptions, music, purchasing and finally an area about the firm. Each area contains questions that the company have listed and from which it has answered.'

Source: <http://www.virginmega.fr/Aide/>

4.6.3. Contacting the company

To find questions it wonders, a customer can be helped by the tutorial or the Frequently Asked Questions. Nevertheless, it can also contact directly the company which manages the website or the software. This is also possible in online music interfaces.

This option is available through the standardized 'Contact Us', 'Ask a question' and 'Support' (Chaffey et al., 2009, p.317). To contact the firm, the user can either send an e-mail, as perceptible in the website www.VirginMega.fr (May 2010), or call a customer relationship service as it is the case for the company La Fnac (May 2010) via an indicated phone number. For the e-mail, some fields have to be defined by the user: the problem and its description, the identity of the customer and so on (observations from, www.VirginMega.fr and www.fnac.com, May 2010). However, other digital music interfaces do not suggest such an option, as it can be seen for Deezer or Orange JukeBox (May 2010).

Figure 22: Sending an e-mail to Virgin Music

The screenshot shows a contact form titled "CONTACT HOTLINE" with the following sections:

- Problème rencontré :**
 - Catégorie du problème: Musique (dropdown)
 - Type de problème: Faites votre choix (dropdown)
 - Description du problème: (text area)
- Vos coordonnées :**
 - Identifiant: (text field)
 - Nom: (text field)
 - Prénom: (text field)
 - E-mail: (text field)
- Informations sur votre configuration :**
 - Système d'exploitation: Faites votre choix (dropdown)
 - Navigateur: Faites votre choix (dropdown)
 - Version de Windows Media Player: Faites votre choix (dropdown)
 - Connexion: Faites votre choix (dropdown)

Annotations:

- "The issue: category, nature and description" points to the "Problème rencontré" section.
- "Information about the user's informatics exploitation system" points to the "Informations sur votre configuration" section.
- "Identity of the customer: first and second name, mail address" points to the "Vos coordonnées" section.

Source: www.virginmega.fr/Sites/Hotline.aspx

4.6.4. The on-site search engine

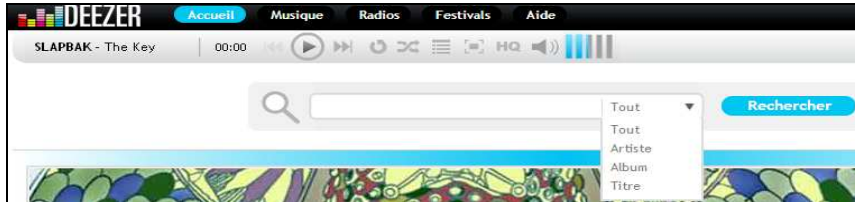
As previously said in the part 2.4.1.1, the search engine enables to find information; by typing keywords. The search engine, in a website or software, is a primordial element. It enables the customer to access to the digital music. The way the search engine is configured affects the Internet users' feelings; the accumulation of area to fill and choices to make, complicates the ergonomics. (Nicolas & Kaplan, 2007, p.50)

By exploring the miscellaneous digital music interfaces, search forms (search engines) are composed of one or several data entry fields. The latter is either a field where the Internet user writes free text or a list boxes. At the step of the presentation, the most common is one data entry field with one list box which enables focusing the research on one criterion: title of a track, title of an album or finally an artist. For instance, we can observe it for FnacMusic or VirginMega (May 2010). However, we can see other tendencies, as a unique data entry field for a free text (observation from Spotify, May 2010) or several data entry fields where we can gather the selection criteria (observations from www.abeillemusique.com & or www.Myspace.com/music, May 2010). For this last one, the criteria can be according to a country, a thematic, a music style, whether the artist works with a label or a major label or an independent one and so forth (observation from www.Myspace.com/music, May 2010).

Nowadays, online companies as the ones we study for our purpose, invest to optimize online search in order the queries of customers match with relevant results (Chaffey, 2006, p.245)

Figure 23 : Several search engines

Source: Spotify



Source: <http://www.Deezer.com/fr/>



Source: <http://www.abaillemusique.com/>

4.7. Process

This part is focused on the three processes we can observe in the website, we consider as essential and for which we have found precise data: the processes which enables to create digital music and the one which enables to offer this service, the process which enables customer to download this digital music and finally the process to access to the service without any connection to Internet.

4.7.1. Process of music ripping

As previously said in the introduction, music has evolved from a physical to a digital one. Thus, music support has also evolved from physical to digital. Hence, a modification of the product and its process is required for companies, as argued the manager of Cristal Publishing (2010) in one of interviews. But how music can be digitalized in order to be offered as a service in the online market? This process is called the ripping.

The ripping process consists in modifying the music support, from a Compact Disc to a digital support (Bove, 2009, p.136). So, music is encoded and usually compressed (Mansfield, 2005, p.38). It can be ripped in different formats, like the MP3. To reach this goal, several converters exist, like LAME MP3 VBR for MP3 files or the music application Windows Media player 10, the software Nero Express and so on (Mansfield, 2005, p.38, p.49., p.51). Then, the entire encoded music is saved on the firm's hard disk. Thereby, with the ripping process, the extent of the music can be offered on the online market. Internet users can access to this extent thanks to their computers and download what they desire.

4.7.2. Peer-to-Peer process

The Peer-to-Peer, also called P2P is a distributed system which consists of “interconnected nodes able to self-organize into network topologies with the purpose of sharing resources such as content, CPU cycles, storage and bandwidth”. Furthermore, this system maintains connectivity and performance, without requiring any intermediation or support of a global and centralized server. Thus, a P2P system’s aim is to share resources with connectivity and performance; without the intervention of any global and centralized server. (Androutsellis-Theotokis & Spinnellis, 2004, vol.36, N.4)

Nowadays, exist ‘free’ websites or software which employ a process as the P2P (Mansfield, 2005, p.67). For instance, it is the case for software as Spotify (Guillaume, 2010). The company prefers to use a P2P system by sharing its resources (music catalogue) in several data centers than to centralize its entire digital music catalogue in a unique data center and to diffuse exclusively from this only point; avoiding some costs like the IP stocking and transit (ibid.). Nevertheless, not the entire firms acting on the online music market employ it, like Deezer which is based on centralized platform, provoking accommodations costs and IP transit (Guillaume, 2010). So, the choice of a P2P system is particularly due to an economic logic (ibid.).

4.7.3. Music consuming process

4.7.4. Download process

If an Internet user wants to download music legally, acquire it in order to store it, he has to buy it. Before starting the download process, the user has to create a personal account where its personal data are collected such as its first and second names, address and so for (Lannoo & Ankri, 2007, p.62). During this operation, a legal mention is highlighted and which the goal is to get the possible client’s consent, to inform the latter about his or her accessibility right but also about the fact it can modify the data it gave and the practical details of this right (observations from, www.telecharger-musique.fnac.com, May 2010). Sometimes, this step does not need to be achieved before the choice of the music or album; but is required later in the process, in the identification step (observations from www.telecharger-musique.fnac.com, 2010). This stage involves the creation of a login (user name) and a password, chosen by the user (Lannoo & Ankri, 2007, p.62).

After doing this operation, the user can peruse the music catalogue of the firm and choose the track or album he or she wishes. Internet radio stations and music stores enable users to audition tracks or an extract from the latter; thus, you can decide whether you buy it or not (Mansfield, p. 18, 2008). Once its request has been found, one way to continue the download process and ease the purchase operation is to click on a button especially dedicated to it. Then, the customer can see its ‘basket’ contains one article (observations from www.telecharger-musique.fnac.com, May 2010). The role of a basket is to explain the client how it can add and delete a product or service; but also how it can modify the quantity of the latter (Lannoo & Ankri, 2007, p.62).

After accessing to its basket, the customer validates or not its order. The next step is the identification, by filling in its login, which can also be an e-mail address. (Observations from www.telecharger-musique.fnac.com, May 2010)

Then, the client confirms and passes its order a twice thanks to the payment step. During this one, the user has to choose between the methods of payment suggested by the firm. However, the server has to be secure and the payment data crypt (Lannoo & Ankri, 2007, p.73). Sometimes, the customer has to put money on its account previously, represented under the name of ‘Credits’; it is like an amount

of money provided by the user to purchase the service it desires (Observations from www.telecharger-musique.fnac.com, May 2010).

Finally, a message appears to confirm the taking down and the customer receives an acknowledgement of receipt on its mail inbox. Then, it can download its music track or album (observations from www.telecharger-musique.fnac.com, May 2010). After, it saves the file on its hard drive (Mansfield, 2005, p.19).

In a nutshell, the firms acting on the digital music market suggest a purchase process in five distinctive steps: the creation of a personal account, choice of the product, identification, payment and downloading. An optimization of this process for organizations is to collect the personal data of customers and exploit it. (Lannoo & Ankri, 2007, p.73)

4.7.5. Streaming music process

The first streaming appeared in 1995 on the software Real Player (Nicolas, 2010).

The streaming relates to the transfer of data, video or audio material, in a continuous stream. It is particularly for immediate processing or playback websites (Merriam-Webster's Collegiate Dictionary, 2003, p.1234). Thus, it is a technique which enables reading a multimedia file as one goes along of its downloading. Thereby, the process consists more like radio where the music is directly sent from the Internet to the consumer's speakers (Pogue & Biensdorfer, 2006, p.191). Thus, no file is present in the customer's hard drive; engendering the fact that if he wants to listen to the service once more, the person has to go back to the place it found the digital music and stream it another time (ibid.).

Interfaces have specialized themselves in offering streaming music. So, we observe webradio which offers a continuous broadcasting of music (Pernot, 2008 p.45). Then, we have the Smart Radio which appeared in the early years 2000. It is an evolution of the web radio. It adapts music, according the tastes of consumers, their mood, their personality... Eventually, we have the streaming on demand which enables auditors to listen on website music on demand, among a wide portfolio of songs. They can also create playlist and share it with their friends (Nicolas, 2010).

All these websites are fund with advertising, audio (between the songs) or visual (display advertising). The case of the streaming on demand is a little bit different. It offers a basic version for free. But the leaders of the French market, Deezer and Spotify, provide also premium versions where the user do not have publicity or just a few, you have an unlimited access to a wide portfolio, a high quality sound (320 kb/s vs 128kb/s), for a monthly fee (Silly, 2010).

4.7.6. Bundled techniques and Partnerships

Digital music can also be a component of a large offer which enables to download music and acquire another product. Companies offer more and more bundled product, by mixing digital downloads with different kinds of goods, in order to give a unique offer which cannot be pirated (IFPI, 2010). For instance, the label Yotanka which we have contacted (2010), offer concert ticket, tee shirt, CD and free download tracks. Moreover, Internet Service Providers (ISPs) become commercial partners of music companies. They improve their offer by offering music. That gives additional services, retain consumers and generate new revenues (IFPI, 2010). We have also seen in the promotion part that in order to have an access to traditional media, digital music can be added to an overall offer. For example, Tsugi (specialized magazine of hip hop, rock and electro) offers digital compilation in partnership with Believe. Indeed, a password is written in the magazine and the individual just has to

submit into the website of Tsugi to download it for free. It enables attracting trend follower. This offer promotes the artist and completes information spread in the magazine (Tsugi.fr, 2010). The Universal firm has also done a similar operation for the album of Mariah Carey. Indeed, the major label offered a magazine released "Memoirs of an Imperfect Angel" in September 2009, with a co-production with Elle Magazine. It was bundled with the digital album (Amsellem, 2009; Ebenkamp, 2009).

4.7.7. The Podcast

Programs can be listened after their broadcasting, through podcast .This technology enables "individuals and organizations, to post online media (audio and video) which can be viewed in the appropriate players (including MP3 player). The latest podcast updates can be automatically delivered by RSS (Chaffey et al., 2009, p.11)". Listeners can download programs during a short period after the first diffusion of the program. For instance, BBC radio 1 shows are available to listen on demand, for seven days after being broadcasted (bbc.co.uk/radio1/listen/). The advantage of web radio in comparison with traditional radio is their diversity; there is a lot of web radio with different positioning. So, consumer can get music close to its want. Moreover, podcast delivers programs on demand, which enables fans to listen their favorite show whenever they want.

4.7.8. Accessibility without Internet

The accessibility to the digital music market is only possible via an Internet connection. Thus, Internet is the principal element. However, that also means the user cannot access to the service without any Internet connections. This is the major inconvenient of streaming services in comparison with traditional offers (files on music store) is that you need an Internet connection to take advantage of it. (Pogue & Biensdorfer, 2006, p.191)

Nevertheless, companies are conscious of this issue and try to develop new formats to get the digital music. It is the case, for instance, of the software Spotify which already offers such a service (observations from Spotify, May 2010). We can also observe this trend for Deezer, with offers such a service through its subscription called 'Premium +' (May 2010).

4.8. Physical evidence

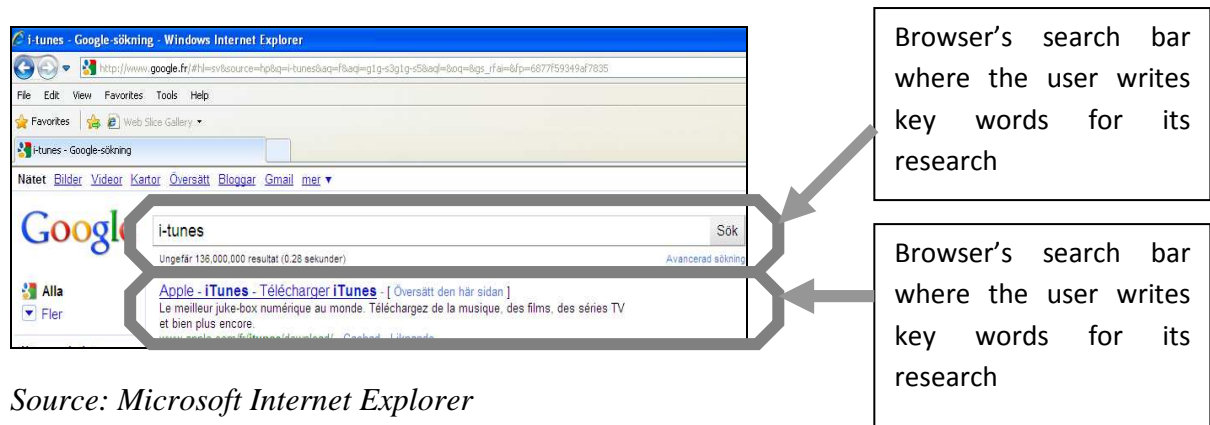
4.8.1. Website accessibility from Internet browser

A browser is a software whose aim is to read and display hypertext and hypermedia documents, on Internet (Daintith & Wright, 1996, p.52).Currently, five Internet browsers share one another the majority of the market: Microsoft Internet Explorer, Mozilla Firefox, Google Chrome, Opera and Safari. Among these ones, the main are Microsoft Internet Explorer and Mozilla Firefox; gathering 88% (respectively 58.6% and 29.4%) of the Web visit distribution (AT Internet Institute, 2010). These rates are confirmed in France where in April 2010, Microsoft Internet Explorer get 53.37% of the market whereas Mozilla Firefox conquered 35.01% (Stat Counter, 2010).

If digital music places, which were previously enumerated in the part 4.3, want to be visited and their digital music downloaded or even purchased by customers, these have to be present on Internet. Indeed, they have to be referenced on Internet browsers. Browsing is an important means of accessing digital interfaces (Bainbrige et al., 1999, p.5).As observed in the part 4.6.1.1, the principal browsers are Microsoft Internet Explorer and Mozilla Firefox, sharing 88% of the browser market in the world but also in France in 2010 (Stat Counter, 2010). Thus, in order to the customers access to

their digital services or search them, the digital music places have to be present at least in the two last browsers cited. For instance, we can observe for the websites as online stores like M6Music, VirginMega, eCompil, FnacMusic, Orange Jukebox and so on; they are directly accessible from both Microsoft Internet Explorer and Mozilla Firefox (Nicolas & Kaplan, 2007, p.12). This trend is confirmed when you look for the other digital music places. For the software like Spotify or I-Tunes, the access of their service is firstly possible with their downloading (Nicolas & Kaplan, 2007, p.12). The latter is possible on the two main browsers, when you write the name of the software in the space research. In a nutshell, to be referenced in browsers enables to customers an easier access to the digital music places' services.

Figure 24 : Downloading of I-Tunes from the two main Internet browsers.



Source: Microsoft Internet Explorer



Here, we can see that when you write the key word "I-Tunes" on the two Internet browsers, the website to download it is directly present in the first link

Source: Mozilla Firefox

4.8.2. The home page

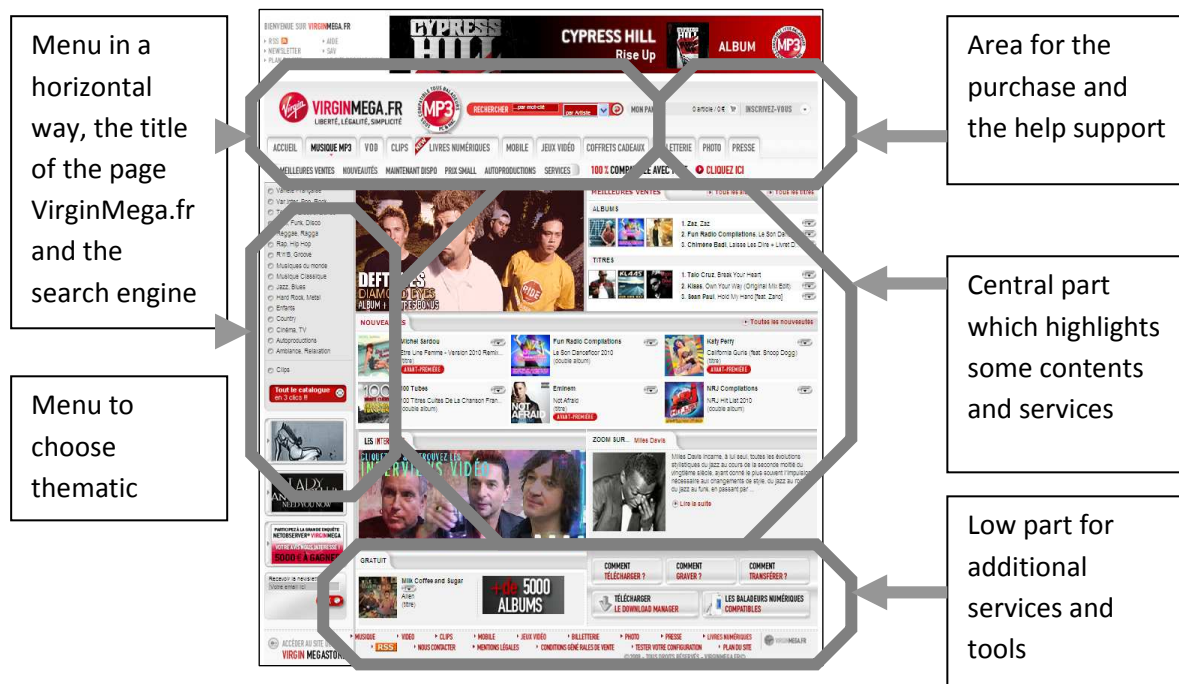
The home page is typically encountered first at a website (Merriam-Webster's Collegiate Dictionary, 2003, p.595). Hence, it is the first contact between the company and the user, when the latter enters in a website or software. Thus, through the home page, the customer faces to the environment that the company wants to reflect, like an image of its firm. In the sundry websites or software which offer downloading digital music, we can identify that all their home pages are structured in a distinct way. Each interface possesses its home page design. Nevertheless, thanks to some observations, some trends are perceptible concerning it.

Are present in home pages elements as a title, a menu, a search engine, an area to choose thematic, a space dedicated some contains or services, an area related to the purchasing of the user, a right column and so for (Nicolas & Kaplan, 2007, p.16). The line for the title and a general menu can be seen on the top of the page, in a horizontal way. The left column is related to the menu whereas the

right column changes from one site to another and can underline for different possible content. The central part highlights some contents or services; in overall way, dedicated to the promotion of albums or artists. On the bottom of the home page, we can find additional information and tools (Nicolas & Kaplan, 2007, p.16). Other observations can be done like a space dedicated to the purchase and where the customer can check what he has bought; generally called 'my basket' and observed on the right top of the page like the space for subscription and the one for help. (Observations from www.virginmega.fr and www.fnac.com, May 2010). Moreover, a listening bar can be present, either on the top or on the bottom of the page; the search engine is on the top of the page (Observations from Spotify, www.deezer.com/fr, www.musicstore.orange.fr, May 2010). Thus, a global structure can be explored even if each page has its specificities.

Another observation (May 2010) is the fact that in the majority of the cases, home pages are simple in their structure but also presented with simple color of wallpapers: white, grey or black. We can also see a lot of pictures of artists or albums and some animations linked to the promotion. Furthermore, one of the characteristics of the home page is the fact that, when a user enters in it, music is played without it clicked on something. For instance, we can explore that on Myspace (May 2010).

Figure 25 : Structure of the VirginMega's home page



Source: <http://www.virginmega.fr/musique.htm>

4.8.3. Menu

First, a menu is an application. Second, it consists of a list of program commands (Daintith & Wright, 1996, p.229). The Internet user can select a command either thanks to a click on it or by using key on its computer's keyboard.

In the various digital music placements, we can find menus. It can contain different parts linked with music thematic, selections composed of several contents, a part to manage one's account (observations from www.telecharger-musique.fnac.com). Thus, the Internet user can easily navigate

into the website or software, clicking on its choice and access to the content or the service. (Nicolas & Kaplan, 2007, p.16)

4.8.4. Thematic

In the several supports by which the customer can access to the digital music, one way is to choose a thematic. Literally, a thematic is related to a theme: a “melodic subject usually developed with variations in a musical composition” (The New International Webster’s Comprehensive Dictionary of the English Language, 1998, p.1301). Exploring the different interfaces as online music stores, streaming websites and software, web radio and so for, we can observe that each interface suggests this option. Thematic can be accessible through a menu, directly in the home page (observations from www.virginmega.fr & www.telecharger-musique.fnac.com, May 2010).

Figure 26 : An example of thematic in a menu



Sources: <http://virginmega.fr/musique.htm>

The selection of a thematic, in website like music stores or in software, enables to access to a sub-thematic (either in another page or in a box on the current page) from which the Internet user chooses a sub-kind of music. (Nicolas & Kaplan, 2007, p.16)

The presence of thematic is also visible on web radio. To choose the radio the Internet user wants, a decision between thematic is required. Only after this step, the customer accesses to a list of possible web radios, matching with its selection. (Observations from www.webradio-musique.com, www.hotmixradio.fr & www.musicoverly.com, May 2010)

Figure 27 : Thematic in a web radio



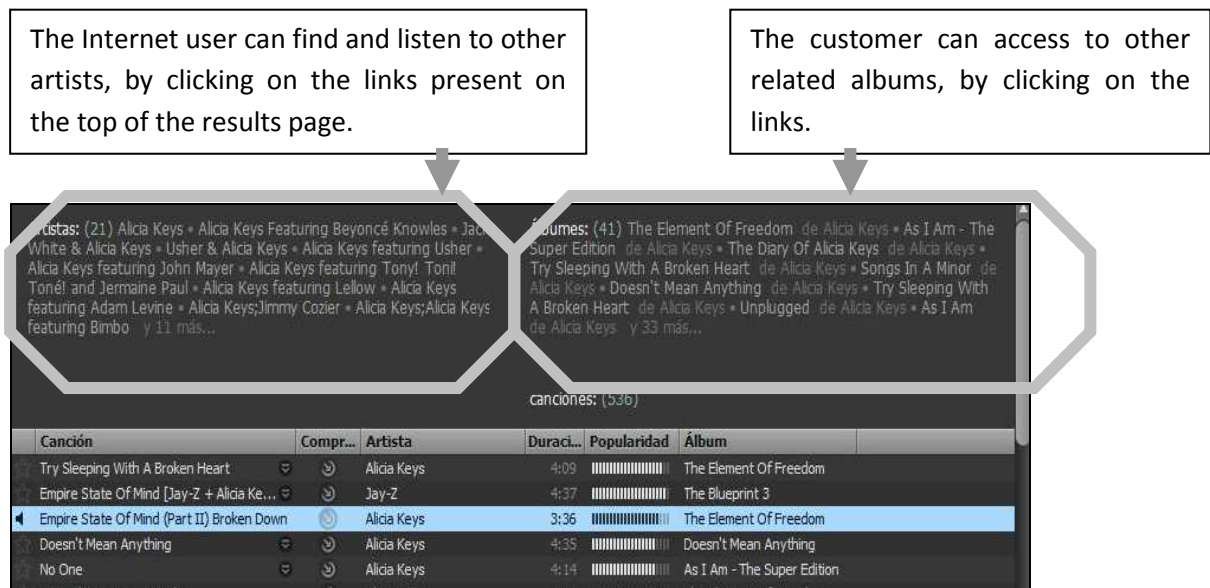
Source: <http://webradio-musique.com>

4.8.5. Accessibility from hypertext links

A hypertext link is a link which can be contained in a text and which enables the user to move from one piece to another, from one page to another (Daintith & Wright, 1996, p.182).

To access to another service, music, a different artist and so on, the Internet users can click on hypertext links. The latter enables to pass from an artist to another, from a track to another, from an artist to another; and so to explore more the catalogue offered by the placement. Those links are generally present in the results page, after a research, in a textual or picture form. (Observations from Spotify & www.deezer.com/fr, May 2010).

Figure 28 : Links to access other artists, tracks, albums

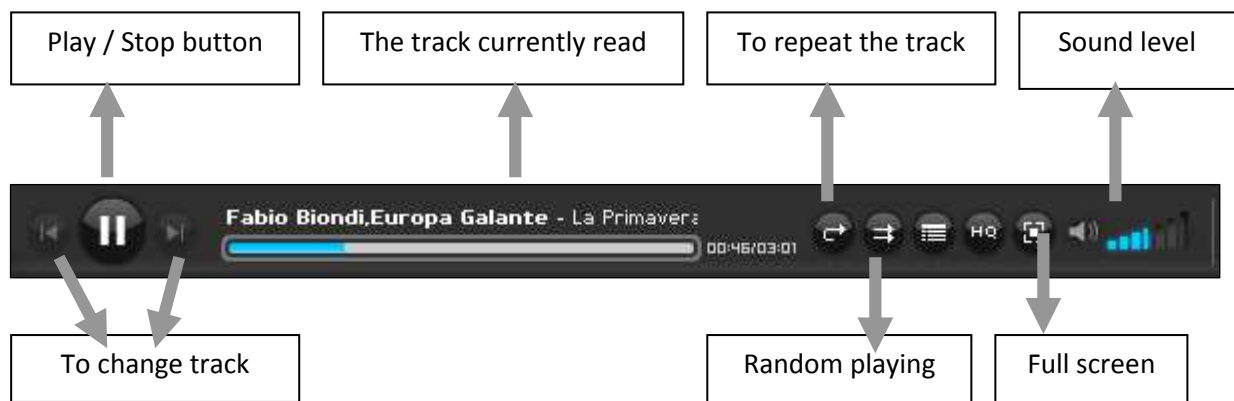


Source: Spotify

4.8.6. Listening bar

To listen to the music, the artist or the album it desires, we observe the Internet user has to click on a perceptible button “Play”. Once this operation is realized, it can manage the track thanks to a listening bar. Indeed, the customer accesses to some listening options. The user can play the music, stop it, pass to the previous or the next track, repeat the current track, modify the sound level, activate a random playing, play in full screen and so on. (Observations on www.Deezer.com/fr, Spotify, www.telecharger-musique.fnac.com & I-Tunes, May 2010)

Figure 29 : Example of the Deezer’s listening bar and its options



Source: <http://www.Deezer.com/fr>

4.8.7. Playlist

The Internet user, after listening to a track, can add the latter in a playlist. This digital music list is personal and enables the customer to listen to a selection it has made previously. Generally thanks to the interface’s menu, it can easily access to the digital music selected. However, to feature a music playlist, the customer needs to create a private account. (observations from Spotify & www.Deezer.com/fr, May 2010)

5. Analysis

In this chapter, we interpret and analyze our empirical results. Thus, we analyze the secondary and primary data collected from secondary data sources, observations and finally our interview; by using our theoretical framework.

5.1. Product

Music is offered on the market for attention, use and consumption. The core product on the digital market is the music file, which gathers one or several songs. Indeed, it represents the core characteristic of the product, music. The extended product is all the products and services offered with the music files such as metadata, editorial information, video, social interface... We can notice that with bundle offers, music is sometimes the extended product (e.g. when it is bundle with Internet Services Providers) and vice-versa (Goods bundle with music).

The streaming and the downloading can be seen as two different processes in order to deliver music but it can be seen also as two different products. Indeed, the downloadable music file and the streaming file do not deliver exactly the same service. On one hand (downloadable file), since the product is bought, consumers can use it endlessly. They can also store and duplicate it continuously. On another hand, the consumers just borrow or hire music. We can notice that, unlike the other digital products, the streaming answers a need of inseparability (in order to listen to the music, you need to be connected to the streaming website or software). It cannot be duplicated and so, it maintains the copyright. Moreover, it cannot be stored, except on the streaming interface. So, the streaming gets more characteristics close to the theoretical definition of services than other digital products.

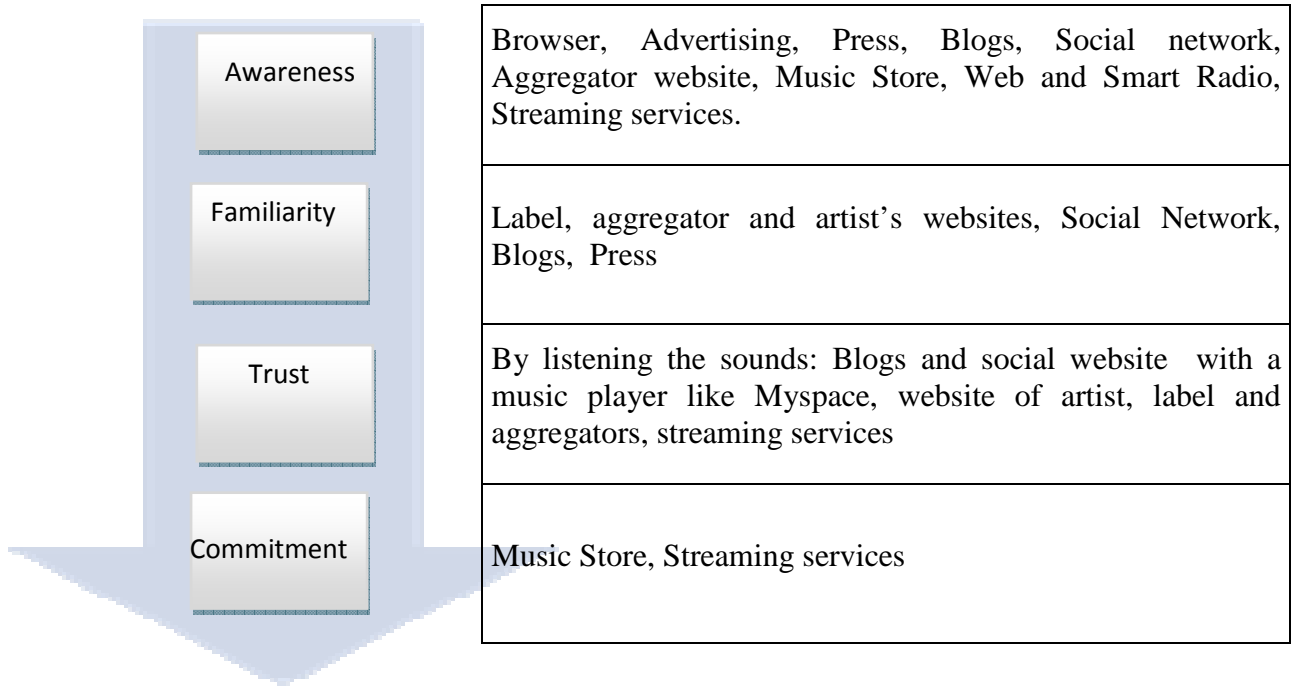
We have seen in the theoretical framework that digital product is sold in at least one package. But retailers providing downloadable music files generally try to increase the number of files in this package. Indeed, the a-la-carte system enables buying a unique track. This type of purchase represents almost half of the value collected by music stores, but also the most common type of purchase. The medium pattern of purchase represents two songs. In order to raise the latter, marketers group songs. It can be with the same artist or group by themes. These particular offers enables to sell more volume, with a "small" grouping, the E.P. (five songs generally) and a bigger, the album (fifteen to twenty songs).

To emphasize the product policy and so offer a superior value than competitors, company can favor a technological superiority, a qualitative superiority or a specialization. The MP3 is the most common format but the quality provided online is not always the highest possible. However, we notice an improvement of the quality offers with this format online. Moreover, companies such as Deutsche Grammophon prefer to offer lossless format like the FLAC. A better music files, it is also what Mix.dj offers, with an extended tracks which gather several trendy songs mixed by deejays. These techniques concern the core product. But the demand increases to obtain a better extended product. Technologies of the iTunes L.P. or the MusicDNA give an answer: they enable storing much more metadata, such as video, editorial documents, pictures... Streaming services offer also similar additional services accessible online. Social applications on streaming services enable as well Internet users to share their experience with their pairs and so broaden their music knowledge and feelings.

5.2. Branding

The branding enables enhancing the brand image in order to create strong relationship between a firm and its clients. Thus, on Internet, companies use the different possibilities to implant a good feeling on consumers toward the brand.

Figure 30: Place which facilitate a good branding development of digital music



Source: created by the authors, 2010

In this figure, we have the four steps of a good branding development. We have written the names of the several interfaces which facilitate each step of the good branding development in the digital music market in France (e.g. browsers such as Google stimulate, through their use, awareness toward digital product). Through the awareness, prospects can recall or recognize key word associate to the artist's music. With the familiarity they will learn more about his music, with press article for instance. The trust will be acquired after the listening of at least a sample, available generally easily in streaming. Finally, the commitment will be illustrated by the purchase or the rent of the songs. We notice that prospects/customers go through the stages really fast. Thus, there are miscellaneous actors which stimulate several stages. Indeed, the awareness is encouraged with promotion, by the listening of web radio and smart radio, and through the influence of trend spreader (music website, blogs, and deejays). Music stores stimulate also the awareness. Once you buy songs, information is collected and an application makes suggestion to the customer about what might interested him. Then, customer reacts to this approach and can discover new songs (approach similar with the smart radio). The familiarity and the trust are acquired through the lecture of information, and the listening of music. On music market, prospects can be turned into customers almost simultaneously; thanks to the advancing tools which enable to get information really fast and to test the products.

5.3. Price

The cost is quite high for producers, due to the investment on artist (cost of production and marketing), the distribution (several intermediaries) and taxes as well. So, it is not a fully cost based

pricing but producers have to obtain a minimum amount of sales to harvest their investments, and so prices depend on it. The good advantage is that the variable costs are low, so since the return on investment is reach, companies mostly make profits. The prices change only for special offers such as premium products (sneak preview songs, double album) with a skimming policy, or at the opposites with promotional prices which consist to offers low prices during a short period in order to stimulate sales or create awareness toward products.

On music store we have a competition-based pricing. Indeed, Apple with iTunes has set a price of 99 cents for a unique title download, and 9,90 € for an album. We have seen that on music stores, the price is consistent according to catalogues; so retailers determine prices of music regardless of the performance of each artist. Nevertheless, the amount of money which is given back takes into account these performances.

For streaming services, the prices are set for the subscriptions of the premium services. Once again, until this year (2010), the prices were led and set by the precursor, in this case Spotify. So, we were in a competition based perspective because when Deezer had created this formula, prices were based on the ones fixed by its competitors. But, while we have consulted the website of Deezer (May 2010) we have discovered that there are now two premium offers for Deezer, a premium and a premium plus. The premium plus is still aligned on the offer of Spotify, but the premium is corresponding of the ideal price decided by consumers. So, here we have a consumer based pricing as well. Moreover, the price is set also in accordance to the amount of money that the interfaces should collect to finance the rights of producers. Hence, the costs also direct the prices (Silly, 2010). However, the streaming is less interesting for producer, because they collect low incomes (between 0,03€ and 0,06€ per listening with the advertising and between 1 and 4 cents with subscriptions). The subscription enables distributing them an income per listening much more higher, but the development of this formula is still marginal. Indeed, it represented only 4, 5% of the users of Spotify in 2009.

5.4. Placement

The distribution channel of digital products is quite long. Indeed, it requires the expertise of several actors. The artists compose and interpret songs, the record companies help artist in order to produce, market and promote music. Then, we have the aggregators, which numerate music and deal with retailers, the latter will eventually sold music to the final consumer. Sometimes, the distribution channel is shorter, the aggregation function can be assured by label or, at the opposite, aggregator and artists can assure themselves the function of record companies. It stresses a main advantage of digital products, the intangibility, which enables producers to distribute easier products with no manufacture costs and so no costs for marginal production. As regards Zimbalam and Jamendo, these retailers have chosen to specialize their offer on unsigned artists. On a similar way, the prosumer strategy of communitarian labels gives interactivity between consumer and producer in order to produce, as well as the last example, unsigned artists. Indeed, with these techniques, the consumers are integrated in the production process. It enables avoiding the general way to offer music (with traditional label and aggregators). Thereby, this strategy uses client as shareholder in order to enable unknown people to share their talent.

The place where we can find music are music stores, and streaming interfaces, which gather streaming on demand interfaces, smart radio and web radio. These places are seller-oriented, because it is intermediaries which sell the product; but it represents the producers and their competitors. On music stores, we can acquire music by a unique purchase, via download platform. On streaming services, consumers can read music but not acquire it; it is eventually a rent of music. People have an increasingly interest in it, because it enables to share experiences, to discover music. On streaming

services on demand, clients have an access to playlist wherever they want, insofar as they have an Internet connection. Webradio and Smart offers also special services. Indeed, the major difference with streaming on demand is that these services offer a playlist of music that the Internet users do not choose; but which should be close to his want, tastes. The streaming on demand, at this point, offers something close to the traditional offer, consumers pick music that they have already known, or have previously acquired. Regarding the smart radio, the reading is personalized, according to the previous lectures and other features of the consumer collected by the interfaces (mood, personality and so on). As for the webradio, the offers are generally divides and specialized in a music theme, style. There are two interests on it. First, it is more convenient for the user who does not want to choose a special artist but know approximately what kind of music he or she wants. Second, listener discovers music and it can pull them to purchases on download stores. Moreover it is a good way of promotion for producers which try to develop original and creative musics, because webradio are more accessible and more specialized than traditional radio.

5.5. Promotion

In the theoretical framework, we have seen four major points of the promotional policy: the advertising, the sales promotion, the word of mouth and the public relations. Thus, we analyze the presence of these tools, their use in order to determine the main trends.

The use of digital tools is relevant to promote digital products because it is the place where the purchase happens. Moreover, Internet is a privileged place for advertising. Indeed, social network or information website offer possibilities to promote products on place widely consulted. It can be more or less visible, with the size of the banners for instance. Interstitial, a promotional page which appears during the navigation is judged by consumer as intrusive, but it enables to catch directly the awareness of consumers, it comes into view on the overall screen. Nevertheless, these advertising should be integrated in an overall strategy, when the product is launched, with the use of media such as radio, press or television. Indeed, the traditional tools duplicate the consumer's solicitations and enable the message providing to a large audience. It creates awareness and give a reason to talk about the product. The cost of traditional media is high and the possibility offers are low but partnership can be found, like offering tracks with press.

Sales promotions are implemented with discount on downloadable tracks, as we have seen in the price part, but also by offering sample of a lower quality. Indeed, more than just a short term strategy to pull consumers, the sampling enables building the notoriety of artists. It stimulates the discovery of artists. Consumers spread information fast. Finally, there are more people who want to buy the product with a higher quality. Personal recommendations are also applied on music stores, in order to raise the amount of purchase. Indeed, it collects information about behavior and taste of consumer and then tailor the offer.

The viral marketing uses Internet with its interactive characteristic. Online, message and artists songs or performance can be spread really fast. Today, everybody is a powerful part time marketer. Thanks to blogs, social networks and all the other websites with a social application, consumers can exchange information, comment, tracks, playlists, videos and so on, for free or for a low cost. In addition, the advices and interactions are main variables for the choice of product and place of purchase. Thus, artist or company build their image on Internet and stimulate the sales as well. It happens by offering original videos, sample of music, written information, in order to push people to speak (favorably) about the brand products. Moreover with Internet, marketers obtain a feedback about their offer thanks to relational tools, a help in order to understand the wants of clients and prospects. Therefore, Internet offers an interactive approach of the word of mouth, for a low cost.

Finally, we find the public relationship. In order to obtain good comments about its company and products, marketers identify and build good relationships with people who are likely spreading information. It can be online and offline newspaper, editorial websites, blogs. These trend spreaders stimulate the viral marketing, but it is difficult for the organizations to control it. Nevertheless, music actors often create their own media such as website, blogs and pages on social network or streaming services to influence favorable mentions.

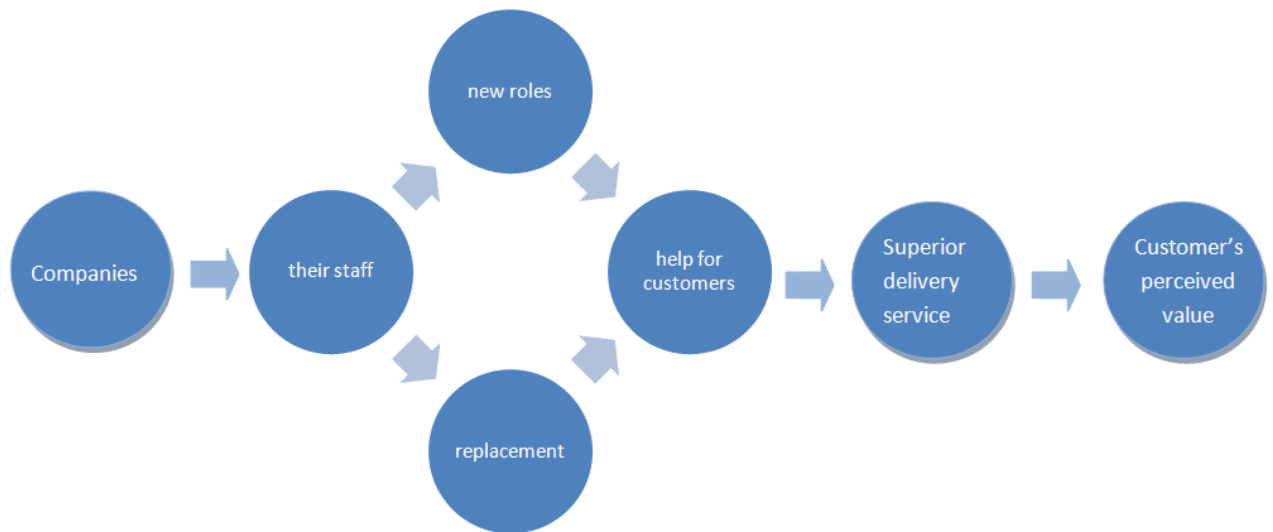
5.6. People

As mentioned in our empirical results part, competences of organizations' staff has been modified, due to the disappearance of the physical contact. So, companies acting in the digital music market, in France, interact with their customers through another way. Indeed, this is possible thanks to tools whose the majority is to help the Internet user. Those means are tutorials which provide explanations to the customers, Frequently Asked Questions (FAQ) where the firm categorized the questions frequently asked and share it with the customers, the possibility to send an e-mail or to call a customer relationship service and finally the presence of on-site search engines where the user writes key words to find the service it desires. Thereby, all of those tools are interactional interfaces between the firms and their customer, through their websites or software. They are used to help the customer, to assist it, to guide it; easily accessible.

The 'People' variable is a key of the marketing mix, essential for the success of an organization, consisting of satisfying the customers' needs by using the appropriate staff (Kotler, 2008, p.604). This can mean either hiring new people or training the current employees. If this relationship between the staff and the user is good, the customer perceived value of the service offered is as well. In an online context and consequently for the digital music interface we observe, this variable represents how has changed the staff involvement in the buying process (Chaffey et al. 2009, p.317). It implies either new roles of the staff (replying online, chat inquiries or e-mails) or replacement of the staff for automated online services. So, it is a way to impact the customer's perceived value.

Our empirical results enable us to observe of the digital music market in France, at the step of the informatics tools which have been employed by organizations which act in. Through the variable 'People' we can analyze the business approaches of these firms related to their staff. Our empirical results highlight the fact that those companies have implemented tools to guide the customers, to help the latter, via their website or software. In the one hand, thanks to the e-mail, the customer can contact the firm for a question. It is the same when the user calls the Customer Relationship Service. Hence, the organization has to respond to the person. That can mean hire new people to respond to customers or train the current employees. So, as Chaffey et al. (2008) argued, new roles are allocated to the staff. In the other hand, we can observe those firms employ automated online services which replace the employees. So, through the FAQ, the user directly finds the answers it needs: it does not need to ask staff anymore. This phenomenon is the same for the on-site search engine where the Internet user finds what it wants, without any external intervention; like the tutorial which is an 'assistant'.

In a nutshell, firms have either replaced their staff by automated online services or have allocated new roles for their employees. Thus, those means of interaction are used to maintain the relationships between the companies and their customers in an online context where the physical contact does not exist anymore. But the goal is also to create or maintain good relationship with the persons, possible insofar the firms suggest them a help that the users can easily access or through responsiveness from the company to satisfy the customer's needs. Finally and as continuity, that influences the user's judgment about the service. Since those tools replaced the original staff, the firms can develop a superior service delivery, by impacting the customer perceived value of the service.

Figure 31 : The Companies 'people policy on the digital music market

Source: created by the authors, 2010

5.7. Process

In our empirical results part, we have observed that the processes to deliver digital music are diversified. Indeed, we have referenced five main processes which coming from the digitization of the Compact Disc to become a digital music to the accessibility to the service without any Internet connection.

On the one hand, the Process variable reflects the systems used by the organizations in delivering the service, their methods and procedures; but also to offer a superior level of customer service (Chaffey et al, 2009, p.318; Fifield, 1998, p.241). The process variable highlights the systems used by organizations to deliver the digital music. We have seen the ripping process enables to digitalize Compact Disc in order to offer a digital music, available from Internet. Hence, the ripping process is a method used by firms which act in the digital music market in France, to deliver their service on Internet. The peer-to-peer (P2P) process follows this tendency due to the fact it enables organizations to transfer their services to customers by maintaining connectivity and performance. So, firms can share their music catalogue but that also means customers can access to organization's music catalogue. Thanks to this means, the company can deliver the service, with performance, to the Internet users. Moreover, one process consists of pass over one barrier of the digital music market: the obligation to have an Internet connection for the customers if the latter wants to access to the service. Thus, some companies have found a solution by making their music catalogue accessible without any Internet connection and consequently, make their service available to all. Finally, the streaming is a process which enables organizations to deliver their digital music to the customers and where the latter can directly consumes it. In a nutshell, we can analyze those four processes are methods employed by firms to deliver their service.

On the other hand, the processes have to enable the company to control the costs (Fifield, 1998, p.241). In our empirical results, we have seen that the main choice of using a P2P process is first in an economic approach, by avoiding some costs related to the transfer of information to the customers. Thereby, we analyze the pay-per-view system as employs Spotify, enables the firm to control its costs, particularly in the transfer of data.

Another aspect of the process to achieve all marketing functions, as can be the sales (Chaffey et al, 2009, p.318). The download process is organized in five distinctive steps, from the creation of an account to the download of the digital music. So, we can analyze that is easy for the customer to download a music. The process is quick. Thanks to this speed, the download process enables to achieve one marketing a function which is the sales of the service. So this approach is conforming to the pay-per view concept, it is corresponding to a unique download. Then we will find the ad-supported techniques, when website is fund with promotion of a third part company. It can be with advertising, or with affiliate marketing, when sales and leads on the partner website result from the sending of visitors. Streaming website works with this approach. Ad supported techniques represents the biggest incomes for streaming services. But subscription is more and more add to the latter approach. Indeed it enables to collect revenue higher per visitors. Being subscribers, customers can enjoy some advantages; even if they pay a higher price than other people who do not pay for such a service. So streaming services attract consumers with a basic version of their services and then try to convert them to subscription. Indeed, subscriber has access to a premium service which should enable to collect more money, but which is still marginal today. Thereby, the streaming process sustains also the sales of the service, with the affiliate marketing, or the offering of sampling on promotional website. Finally bundling techniques can be used to offer a superior offer than people can find on illegal interface. Goods can be added with digital music or digital music can be added to an overall offer. For instance ISPs use music for its good image and notoriety which can attract much more clients in order to add an advantage to its core product, Internet. Partnership is mostly made when the products are complementary, digital songs are interesting to be offer with a journal speaking about the artist who have produced them.

Process can achieve another marketing function, which is the customer service (Chaffey et al, 2009, p.318). We know that during the download process, the Internet users need first to create a personal account. The latter requires communicating, for the customers, personal data. Furthermore, an optimization of this process is to collect these data to, then, exploit it. It is like taking advantage of it. Thus, an optimization of the purchase process enables achieving customer service, by collecting in easy way useful information on the customer. As a continuity, we can analyze this optimization is also dedicated to future sales, due to the fact organizations have more information about their customers.

Thus, we can analyze that to act in the digital music market in France, the systems employed by companies are focused on delivering the service to the customers thanks to different ways, making the service available for customers. Nevertheless, other processes are more dedicated to control the organizations' costs, for the customer service but also to contribute to the sales.

5.8. Physical evidence

We have seen that in the digital music interfaces for which we have collect data, several tools are present. Indeed, they are the home pages' structure and presentation, the menus, the thematic, the presence of al listening bar and so for.

As we have mentioned in our theoretical framework, chapter 2.7, the physical evidence reflects the entire representations of the services, employed by companies to demonstrate their service quality and to develop a superior physical environment for their services (Zeithaml & Bitner, 2002, p.25; Kotler et al., 2008, p.604). Finally, that enables the customers to make a judgment about the service quality. Through an online context and particularly for the digital music market, the physical evidence underlines the customer experience of the firms acting in this market, in order to demonstrate their service quality; representing the interfaces ease of use and navigation, the

availability and their performance, which enable individuals to judge about the service quality suggested by the organizations (Chaffey et al., 2009, p.248; Kotler, 2008, p.604).

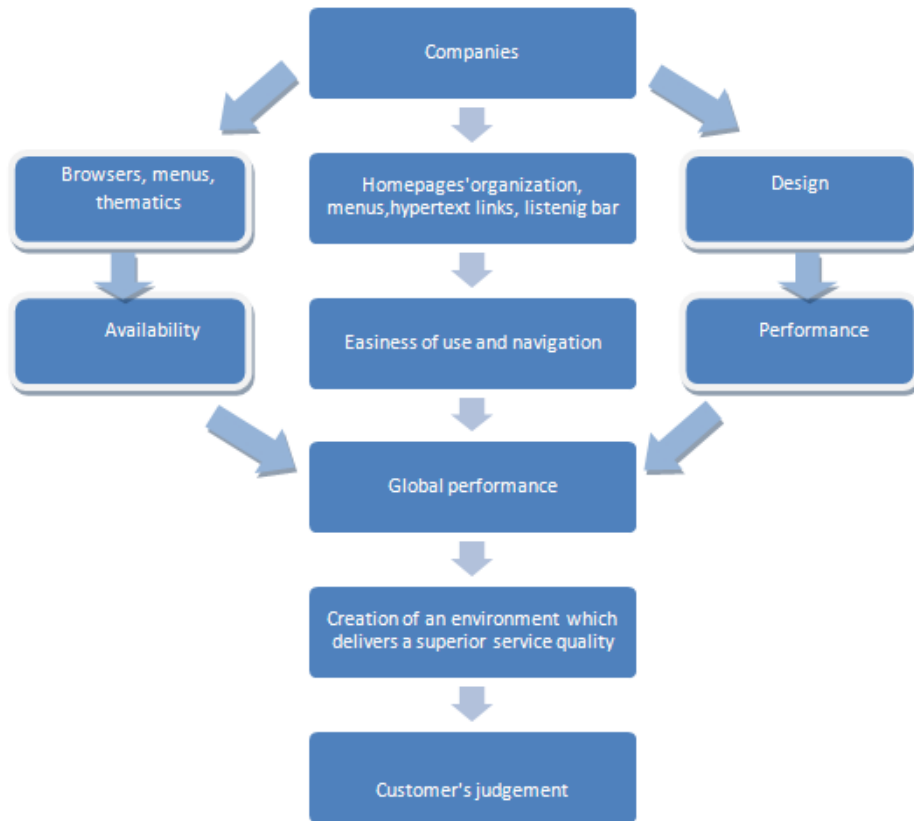
On the one hand, one of the criteria of the physical evidence is to make the service available (Chaffey et al., 2009, p.248). The presence of the digital music websites on Internet browsers, their accessibility from the latter and more particularly on the two main (Microsoft Internet Explorer and Mozilla Firefox), enable people to access to the websites and consequently to the services. Thereby, we can analyze the Internet browsers are means used by companies, to make the service available. But what about the other tools perceptible in the websites or software? Do they make the service available? As we said before, in those interfaces have been observed menus, thematic and hypertext links. Thanks to these ones, a person can access to the music by clicking on an option of the menus, by clicking to make a choice in a thematic to finally access to the music he or she desires, selection of a kind of music; or by clicking on hypertext links which transfer the customer to another page, related to its choice. Thus, these entire mean make the digital music available.

On the other hand, the physical evidence enables the interfaces' ease of use and navigation (Chaffey et al., 2009, p.248). We have observed that the home pages of websites or software are the first contact between the firms and the individuals. But we have also perceived a common structure for all those home pages with for instance, a menu in the left column, a central part dedicated to some contents and so on. Thereby, the individuals can easily get them bearings in the home pages and consequently access easily to the music. Thus, we can analyze that homepages are components of the digital music interfaces ease of use. As previously mentioned, thanks to the menus, the presence of interfaces and the hypertext links, the user can access to the music it wants, thanks to one click. In this sense, we can analyze that those tools, components of the interfaces, enable an easiness of use and navigation for people. But what about the playlists? The playlists are a selection of music, made by customers, it can listen to. Thus, once this selection is made, the user can easily access to the music it wants and it had previously chosen; thanks to some clicks. Hence, the playlists contribute of the interfaces ease of use. Then, once the customers have decided the song or album they want to listen to, the music can be played. One way to manage it (make it play, stop, repeat and so for) is the listening bar. Indeed, by clicking onto the buttons, the individuals can manage the track they listen to. We can analyze thanks to this tool, managing a music get easy.

Finally, we have observed the global design of the digital music interfaces and essentially of the home pages, are simple in their structure and in their color of wallpapers. So, the global design is simple. Thereby, we can analyze the customers can combine this simplicity of the design with a simplicity of the service. The performance of the website or software but also of services, their simplicity, can be interpreted through the simplicity of the global design of the interfaces.

Thus, we have analyzed the entire tools implemented by organizations we have enumerated, enabling the customers to use the websites or software in an easy way, but also to make the digital music available. Thus, the users can easily access to the service, but also interpret it as simple thanks to the global design implemented by organizations. All of that enables the customer thinking about the easiness of the service. The service is represented by the simplicity through the physical environment established by firms. Finally, we can analyze that this physical evidence enables to deliver a superior delivery service and for the customers, to make judgments about it.

Figure 32: The companies' physical evidence policy on digital music market



Sources: created by the authors, 2010

6. Conclusion

Nowadays, the digital music market has an inferior economic weight than the physical music market. The digital one does not balance the lost of the physical one; there are still difficulties to monetize a market which brings not enough money. But the digital music market is also dynamic. Thereby, our paper contributes to do a state of this market which becomes more and more important, which keeps evolving and whose modifications, improvements and strategies employed by companies may be difficult to follow, observe and analyze.

Thanks to this thesis, we can learn a lot of information, consequences of a deep analysis about the marketing tools employed by firms in this market. Hence, the core product is digital music offered through files which gather one or several tracks. The most used track format is currently the MP3, which offers a quality close to the Compact Disc. This offer is extended with metadata, all the information about the music and additional services. There are two possibilities to get the service, suggested by companies: downloading and streaming. With downloading, the customer can listen to the music endlessly, online or offline, by purchasing it; whereas for streaming, the individuals borrow or rent a music file online. With the purchase, in few steps, the customer can buy the service. An optimization of this process is useful for the customer service, by gathering personal data related to the customer when it creates its personal account. This purchase approach, dedicated to sales, is more remunerative than streaming. The firm Apple has set the price thanks to its leadership. So, a competition based pricing exists. The price is generally about 0.99 euros for a track and 9.90 euros for an album. The streaming is a hybrid model, mostly financed by the advertising of third part companies, on the digital music interfaces. Nevertheless, the organizations of the digital music market in France sometimes offer a subscription system to increase their financial resources. Per month, the fee for a subscription is defined between 4.90 euros and 9.90 euros; taking into account several elements: the cost, the competition and the customer's expectations. The music distribution channel is long, due to a required expertise in the different steps of commercialization. The producers (labels and artists) have to deal with a specialized middle man, the aggregator, in order to numerate its music and distribute it on the retailer's interfaces. The latter can be either music stores where the music is downloadable or streaming interfaces where the consumer reads the music online. At the step of the promotion, miscellaneous approaches are employed by organizations: offline, it is more a promotion on media like radio or press; online, it is more advertising, editorial publishing and the viral marketing stimulation.

However, the firms which act in the current digital music market employ methods to create a superior service delivery for the customers. To commercialize the product on Internet, companies rip Compact Discs and offer the music in their interfaces. But they also implement supports to assist the individuals in their interfaces. This assistance is achieved thanks to an allocation of different roles for the firm's staff, and even a replacement of the latter by automated online services. Finally, companies create a physical environment, particularly in the digital music interfaces, in which the users evolve with ease of use and navigation, can access with easiness to the service and take advantage the interface's performance.

This paper contributes also to analyze the future tendencies of the digital music market in France. Thus, we learn that currently, the main trend for companies is to implement new policies, by offering a superior value, which have been developed such as offering a better music quality but also to complete the product with for instance more metadata. So, the most important tendency is directed to the core and the extended product. Moreover, the music appears as part of a multimedia offer and is more and more integrated with similar products. We also notice that Internet enables to tailor the

offer, with recommendations or with the grouping of similar artists on dedicated offers. Indeed, the interfaces are more and more interactive. The extended product is massively developed, according to the powerful new trends of Internet (viral marketing, social interface...) and the technologic evolutions.

Then, some interfaces (as Zimbalam and Jamendo) tend to enable an artist to be distributed directly online: artist can treat directly with aggregators or music stores, and some would never have had this opportunity to commercialize their music on the physical market. Therefore, some steps in the distribution channel are cut off.

The marketable aspect of the streaming is getting more and more important and is consequently an explicit trend. The latter enables sharing music with friends, to discover music and to consume it conveniently for free or for a low price. Still marginal, the conversion of consumers to adopt the premium services could offer interesting perspectives for the industry. Finally, it can lead to a commitment: with a subscription to premium streaming services or by leading listeners to downloading platforms.

Furthermore, we can notice that all the service offers become more and more complementary; smart radio and web radio develop awareness while streaming on demand stimulates the familiarity and the trust in artists' music.

In order to commercialize music differently, partnership is also more and more developed, with companies which want to take advantage of the trendy image of artist and offer new services. Indeed music is now associated with additional services.

Internet, as a media, becomes a social place. The interactivity between customers, their commitment in the processes of purchase and sometimes production, is developed. Indeed, the relation from customer to customer influences behaviors, and companies try to use it in order to improve their brand image and the image of their signed artists. So, social networks, blogs and all the participative applications are more than a way to promote music; it is an essential experience sharing place, dragging the tendencies of purchase. Furthermore, it is a substantial place to stimulate the awareness of the consumer toward the brand and its products. It is easy to broadcast viral messages. In addition, more and more products offers have promotional and social features as well.

Another tendency is the fact that companies save more and more costs, particularly thanks to their process. This is the case for some of them which employ the peer-to-peer. In an economic thought, firms decentralize their entire offer to several broadcasting points. Finally, the organizations of the music market in France, and essentially streaming ones, pass over their main barrier which was the accessibility to their service without an Internet connection. Indeed, they offer offline accessibility.

In a nutshell, we have explored and learnt several tools employed by companies, their initiatives, which testify the current state and trends of digital music in France. The main tendency is that companies provide an offer each time better in quality (quality of the music, quality of the additional services). Moreover the offer is wider and wider, with the addition of product and services such as goodies, videos, social network... Consumer do not just buy music, they access to the artist universe which is more and more sold like a particular brand. Indeed Internet enables the providing of more information and company tries to drive it by launching interactive tools and so piloted the viral marketing. The latter is become a main variable in the music promotion. Consumers are highly sensitive of the interaction with their peers. The development of streaming services is also an important tendency of the last five years. Indeed it is today more than a promotional tools, it seems that it have a economical potential of development. Eventually Internet has democratized music, with a higher access for consumer but also with the development of opportunity to commercialize music

for artists with independent channel of distribution. However these changes have simultaneously created difficulty to monetize the production of music. So we have paid attention to music marketing on internet but we still wonder if customers will be interested in the superior value offered by firms. Moreover, will the streaming services succeed in collecting more money and get a higher weight in the digital music, in France? In 2013, will the online music be more important than the physical music market, as it is forecasted? In such a context, how will companies react at the step of their marketing approaches?

Appendix

Here is our appendix. This part contains the useful documents for our thesis, which helped us to write our paper but also to analyze all the aspects of our purpose. These documents enabled us to make conclusions about the digital music market in France and to highlight its last trends.

Table of contents

1. Fragment of the data base.....	63
2. The original interview in French.....	64
3. Interview in English.....	70

1. Fragment of the data base

Answer	Source of the contact	Organism	Activity	Activity (More precisely)	Fonction
2nd contact	1st hand	Cristal Records	Producer	Label	Head of export, publishing & digital
Na	Internet	Because	Producer	Label	Responsible Marketing
3rd contact	2nd hand	Yozik	Producer	Label	Manager
Na	2nd hand	The Orchard	Distributor	Agregator	
Na	1st hand	Empreinte digital	Producer	Label	Artist
1st contact	Internet	Talitres Record	Producer	Label	Manager
2nd contact	2nd hand	Society Glossybass	Producer	Promotion	Artistic director
Na	2 hand	Harmonia mundi	Distributor	Distributor & Agregator	Responsible new media / digital
Na	2nd hand	Believe	Distributor	Agregator	Content Acquisition & International Sales Promotion at Believe Digital
Na	2nd hand	Abeille music	Distributor	Agregator	Manager Online Distribution
Na	Internet	Pias	Distributor	Distributor & Agregator	
2nd contact	2nd hand	121 digital media	Seller	Music store	Manager
Na	2nd hand	Qobuz	Seller	Plateform	
Na	2nd hand	Deezer	Seller	Streaming demand On	

2. The original interview in French

Daniel YAMBA-GUIMBI

MaxenceCAILLET

Norra Badvägen, house 15D

302 60 Halmstad (Sweden)



Halmstad, le 15 avril 2010

Objet : Analyse du marché digital de la musique, en France, pour la rédaction d'une thèse de fin d'année

Madame, Monsieur,

Actuellement étudiants à l'université d'Halmstad (302 60 – Suède), nous poursuivons un Bachelor in Business and Economics. La validation de ce diplôme passe la rédaction d'une thèse de fin d'année, dans le domaine du marketing.

Notre choix de thèse s'est porté sur le marché digital de la musique, en France, auquel nous portons un intérêt majeur.

L'objet de notre travail est d'analyser les nouvelles tendances de ce marché, notamment les changements des politiques marketing, engendrés par les Nouvelles Technologies de l'Information et de la Communication (NTIC).

Vous êtes actuellement un acteur de ce secteur. Se focalisant sur les sociétés de label de musique mais aussi sur les entreprises de distribution, votre participation nous est précieuse pour la réussite de notre travail.

Vous trouverez ci-joint une interview à laquelle nous vous demandons de répondre en toute sincérité.

Merci d'avance de l'attention portée à cette interview.

Cordialement,

Daniel YAMBA-GUIMBI

Maxence CAILLET



Interview

Veillez cocher les cases correspondant à vos réponses. Plusieurs réponses sont possibles.

Lorsque la réponse nécessite une argumentation, veuillez répondre dans l'espace dédié à cet effet.

Un glossaire vous est fourni en dernière page.

1. Aujourd'hui, quels sont vos objectifs sur le marché de la musique ?

Profits

Valorisation d'image

(entreprise, artistes)

Fidélisation des consommateurs

Autres (à préciser ci-dessous)

Autres :

.....

.....

.....

2. Quelles opportunités le marché de la musique numérique présente-il aujourd'hui en France ?

.....

.....

.....

.....

3. Actuellement, en quoi les Nouvelles Technologies de l'Information et de la Communication (NTIC) représentent un moyen important en termes de développement de la diversité musicale ?

.....

4. Avez-vous dû modifier votre stratégie marketing suite aux au poids de plus en plus important des NTIC dans la société actuelle ?

Oui Non

5. Pour votre stratégie marketing, utilisez-vous les NTIC ?

Oui Non

Si	oui,	lesquelles ?
Equipement informatique, serveurs	<input type="checkbox"/>	Commerce électronique et média électroniques <input type="checkbox"/>
La microélectronique et les composants	<input type="checkbox"/>	Le multimédia <input type="checkbox"/>
Les télécommunications	<input type="checkbox"/>	Services informatiques et logiciels <input type="checkbox"/>
Autres (à préciser ci-dessous)	<input type="checkbox"/>	

Autres :

.....

6. Parmi les variables suivantes, lesquelles avez-vous modifiées pour votre stratégie marketing ? (se référer au glossaire pour les définitions)

Produit	<input type="checkbox"/>	Prix	<input type="checkbox"/>	Place	<input type="checkbox"/>
Promotion	<input type="checkbox"/>	Personnes	<input type="checkbox"/>	Processus	<input type="checkbox"/>

Support Physique

7. Concrètement, à quoi correspondent ces changements, selon les variables précédentes ?

.....
.....
.....
.....
.....
.....

8. Aujourd'hui, pensez vous opportun d'améliorer votre offre ?

Oui Non

Si oui ce serait plutôt :

En proposant des métadonnées plus précises

.....
.....

Avec une meilleure qualité de fichier (WAV ou AIF)

.....
.....

En offrant des fichiers complémentaires (Mix, Interview, vidéos de live...)

.....
.....

Autres

.....
.....

9. Que vous inspirent les services de streaming comme Deezer ou Spotify ?

Est-ce une réelle opportunité pour le marché ?

.....

.....

.....

.....

Commentaires :

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.....

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Identification

Nom de votre société :

Activité :

Votre nom et prénom(s) :

Votre/ vos responsabilité(s) :

Glossaire

- **Produit** : se réfère à la politique de produit mise en œuvre, (ex : choix de la gamme de produits, profondeur de gamme, largeur de gamme,...). Cela comprend aussi les services et leur politique.
- **Prix** : la politique de prix établie pour votre produit/service (ex : écrémage, pénétration, alignement, rentabilité, prix d'acceptabilité,...)
- **Place** : la politique de distribution choisie (ex : choix des canaux et réseaux de distribution, force de vente,...), incluant également le commerce électronique.
- **Promotion** : correspond à la politique de communication (ex : choix du type de publicité, de promotion, des relations publiques, marketing direct ou indirect,...)
- **Processus** : caractérisé par l'interaction avec le client (ex : accueil, horaires d'ouvertures, conseils,...)
- **Personnes** : représente les capacités de la force de vente (ex : formation, présentation,...)
- **Support Physique** : inclus les composantes matérielles du point de vente (ex : vitrine, organisation des rayons...), du service ou qui identifient le personnel : partie intégrante de la production pour un service (ex : uniforme,...)
- **Nouvelles Technologies de l'Information et de la Communication (NTIC)** : techniques employées dans le traitement et la transmission d'informations, émanant principalement de l'informatique, d'Internet et des télécommunications. Elles regroupent un ensemble de ressources utiles à la manipulation de l'information (et particulièrement les ordinateurs, programmes et réseaux nécessaires) pour la convertir, la stocker, la gérer, la transmettre et la retrouver.

3. Interview in English

Daniel YAMBA-GUIMBI

Maxence CAILLET

Norra Badvägen 5,house 15D

302 60 Halmstad (Sweden)



Halmstad, le 15TH of April 2010

Object : Analysis of the digital music market in France, fir the writing of a end-year thesis

Dear Madam, dear Sir,

Currently students at Halmstad University (302 60 – Sweden), we pursue a Bachelor in Business and Economics. The validation of this degree needs an end-year thesis writing, in the Marketing area.

Our choice makes for the digital music market in France, which we pay an important attention.

The purpose of our work is to analyze the state of this market, particularly the marketing policies' changes engendered by the Information and Communication Technologies (ICTs).

Currently, you are an actor of this sector. Focused on label-record companies but also on distributors, your involvement is valued for the success of our work.

You will find enclosed an interview by which we ask you to answer in all genuineness.

Thanks for you attention.

Yours faithfully,

Daniel YAMBA-GUIMBI

Maxence CAILLET

P.S: Response expected as earliest as possible



Interview

Please, check the box(es) matching with your answers. Several answers are possible.

When the answer needs an argumentation, please, answer in the dedicated area.

A glossary is present at the last page.

1. Today, what are your objectives in the music market?

Profits Image involvement

(companies, artists)

Customers loyalty Others

Others:
.....
.....
.....

2. Currently, which opportunities the digital music market represents in France?

.....
.....
.....
.....

3. Nowadays, in what the Information and Communication Technologies (ICTs) represent an important means for the music diversity development?

.....
.....
.....

4. Did you need to modify your marketing strategy following the more and more important weight of the ICTs in the current society?

Yes No

5. For your strategy, do you use the ICTs?

Yes No

If yes, which ones?

- | | | | |
|----------------------------------------|--------------------------|------------------------------------|--------------------------|
| Informatics equipments, host | <input type="checkbox"/> | Electronic business and electronic | <input type="checkbox"/> |
| The microelectronic and the components | <input type="checkbox"/> | The multimedia | <input type="checkbox"/> |
| The telecommunications | <input type="checkbox"/> | Informatics services and software | <input type="checkbox"/> |
| Others | <input type="checkbox"/> | | |

Others :

.....

.....

.....

6. Among the following variables, which ones have you modified for your marketing strategies? (refer to the glossary for definitions)

- | | | | | | |
|-------------------|--------------------------|--------|--------------------------|---------|--------------------------|
| Product | <input type="checkbox"/> | Price | <input type="checkbox"/> | Place | <input type="checkbox"/> |
| Promotion | <input type="checkbox"/> | People | <input type="checkbox"/> | Process | <input type="checkbox"/> |
| Physical evidence | <input type="checkbox"/> | | | | |

7. Explicitly, what are these changes, according to the previous variables?

.....
.....
.....
.....
.....
.....

8. Today, is it appropriate to improve your offer?

Yes No

If yes, it would be:

By offering metadata more precise

.....
.....

With a better file quality (WAV or AIF)

.....
.....

By offering additional files (Mix, Interview, videos of live...).

.....
.....

Others

.....
.....
.....

9. What appeal to you the streaming services like Deezer or Spotify?

Is it a real opportunity for the market?

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.....
.....

Commentaries:

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.....

Identification

Name of the company:

Activity:

Your first and second names:

Your responsibilities:

4. Glossary

- Product: product's policy implemented, (i.e.: product range choice, product range depth, product range width and so for). This also includes services and their policy.
- Price: price's policy implemented for your product/service (i.e.: skimming-price strategy, penetration, profitability and so on)
- Place: distribution's policy chosen (i.e.: distribution channels, channels choices, sales force and so for). It also includes electronic business.
- Promotion: matches with the communication policy (i.e.: choice of advertising supports, of promotion, of public relations, direct or indirect marketing and so on).
- Process: characterized by the interaction with the customer (i.e.: welcome, opening hours, advices and so for)
- People: represents les the abilities of the sales force (i.e.: training course, presentation and so on)
- Physical evidence: include the physical components of an outlet (i.e.: window-shopping, shelves organization...), of the service or which identifies the workforce: integrating part of a service producing (i.e.: the uniform)
- The Information and Communication Technologies: techniques implemented in the treatment and the transmission of information, particularly coming from informatics, Internet and telecommunications. They gather useful resources for the manipulating of information (principally the computers, programs and useful networks), to convert it, to stock it, to manage it, to transmit it and to find it again.

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