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A QUALITATIVE STUDY OF MUSIC CONSUMPTION IN TODAY'S UBIQUITOUS MUSIC LANDSCAPE

Abstract

The new global network economy brings forth challenges and opportunities for consumers and producers. One industry that has developed fast during the last decade is the music industry. With developments in technology and usage patterns music of today can be consumed in a vast array of settings. The purpose of this thesis is to investigate factors of *how* music is consumed in this new era.

With a theoretical framework stemming from two behavioral concepts for consumption, cognitive and affective, 14 Swedish and American individuals participated in qualitative in-depth interviews. With a theoretical model that viewed the theme within responses as purchase- or action-oriented the how behind the respondents' music consumption was unveiled. A broad spectrum of how music is consumed was discovered. All participants showed a tendency to switch form of music consumption as a result of activity performed.

Keywords: music consumption, switching cost, variety seeking, network economy
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1 INTRODUCTION

This chapter starts by providing a background to the subject in focus of this thesis. Secondly, the purpose and research questions are presented. Thirdly, an expected contribution is formulated. Fourthly, necessary clarifications and definitions are explained.

The general problem addressed in this thesis is a will to find out more about how music is consumed. We know that most people consume different forms of music related technology, different music genres and different brands. However, no clear mapping has been conducted on this, leaving research literature and music industry management looking for insights where they cannot be found. With information on how music is consumed actors within the music industry can more strategically plan regarding competition, marketing mix and product development.

The music industry see that people are moving away from *the old* in favor of *new* technology or ways of consuming music but they miss to grasp the unlocked potential behind how people consume music. As the opportunities for consuming music are increasing in today's ubiquitous music landscape, an attractive opening can be seen, where both new and old actors on the market can address the needs of music consumers. By investigating how people tend to consume music, the music industry can develop new ideas and generate value for todays and tomorrows music listeners. This thesis attempts to understand the *how* connected to music consumer's actions. This could lead to several effects out of which three are the easiest to imagine:

1. Better quality and value in terms of music products and services
2. New business opportunities as a result of unforeseen consumption patterns
3. Innovative profitability models based on insights about consumption

1.1 MUSIC CONSUMPTION AROUND US

Music has enticed humans for as long as we know. Whether it be in the form of experiencing a live band playing or listening alone intensely, almost everyone in the world encounters music on a daily basis, willingly or not. Music is consumed, in one way or another, all over the world, all the time.

Early forms of music consumption meant being restricted to live performances. As technological developments have emerged, the music industry has followed, cultivated by music's ability to affect people. The music industry itself has changed rapidly throughout its years as an established phenomenon and business industry. Due to technology shifts and the development of a global information economy, goods and services have become more easily accessible. One of the most affected goods is music. Not long ago consumers were unable to choose between more than two alternatives when it came to hearing music in your home. You could either listen to the radio or you could buy an album. Nowadays you can listen to more or less anything you want, in any form, during any activity.

The way people listen to music has changed dramatically over the years. We have gone from vinyl to cassette tapes to CDs to mp3-players to streaming music. Music is now as portable as it can be until someone invents a music chip that we can surgically place inside our bodies. If one wishes and has access to a reasonable amount of technology - music can be a constant companion and soundtrack on a person's life.

From 2004 to 2010 the value of the digital music market has increased ten-fold (IFPI, 2011). The way people can facilitate their life by using the internet is also growing. Digital storage has moved online in the form of services like Dropbox and Apple's iCloud. Music habits have shifted from stereos to computers. Recipes can be found online instead of in cookbooks. This does not in all cases mean that people seize from using cookbooks, but the usefulness of the internet and its potential is growing as the market develops and more people use it. This is called the network effect, where the value of a good or service depends on the number of total users (Shapiro & Varian 1999). Simply put - if all your friends are watching TV, it makes more sense to you to do the same, because you can watch together or discuss programs.

According to Findahl (2011) more than half (57%) of the Swedish population listens to and downloads music online. Almost as many buys music on CDs as well, although not to the same extent as prior to the digital revolution. In the age span of 16 to 25, nearly nine out of ten listen to Spotify and half of those listeners are active on a daily basis.

Spotify will be used as an example of an online music streaming subscription service. Spotify was launched in 2006 and has undergone a successful journey since then. There are other actors on the market as well, providing similar services. As these streaming services are becoming increasingly common it is only natural to expand to new markets beyond the applications home market (which in Spotify's case is the Nordics). The most popular music

comes from the US and most major labels have their main operations from the US. The US also has deep penetration by services like iTunes and Pandora – which are in direct competition with most streaming services.

Paying subscribers of streaming services reached 13.4 million by the end of 2011 (IFPI 2012) in comparison to 8.2 million in 2010. Spotify reports having 2.5 million paying subscribers worldwide, including over 400,000 in the US market since its launch in July 2011 (IFPI 2012).

During December of 2009 the streaming radio service Pandora announced that they were now profitable. “In December 2009 alone, 3 million new listeners joined Pandora — of which 2.7 million of them activated the service on a device other than a computer, according to the company." (Malik 2010) These other devices are usually mobile phones or tablets, increasing the usage span of music, and providing a potentially altered or extended listening behavior in people’s daily lives.

“Information businesses – like those in the print, music, and movie industries – have devised various strategies to get wary consumers to overcome their reluctance to purchase information before they know what they are getting.” (Shapiro & Varian 1999). Most online based companies do this in part with *browsing* in order to initially try the product out, develop a taste for it, and later feel compelled to invest in it. This is also known as the foot-in-the-door technique (Freedman & Fraser 1966). They let people use the service for free, no questions asked, for a limited amount of time. This lowers the cost of switching. But they also work with *branding* and *reputation* as a signal of how good the service is, how it works and what it entails.

Online subscription services (such as newspaper web versions, music streaming services, adult entertainment sites, business research providers and video-oriented programming) is a fairly new business model phenomenon that is becoming increasingly popular as online usage increases. In association with this increase we face a medium that is unlimited and crammed with content. This is can create a sense of meaningless and is recognized as information overload or *infobesity* (Bawden, 2008). With near unlimited amounts of information, value shifts from mere access to “locating, filtering, and communicating what is useful to the consumer.” (Shapiro & Varian 1999).

The development of large amounts of free available information was foreseen in the book Free (2009) by magazine Wired's editor-in-chief Chris Anderson. But - the realization of free access has hardly challenged the classic utility function where people put a value on their non-working time. Consumers, now and historically, value services that weed out the good stuff and eliminate the bad, the spam and the useless. The habits surrounding web service usage have gone from considering free services a standard to customers being fed up with filtering through massive amounts of content. Today customers are looking for quality - and they are ready to pay for it (IFPI, 2012). As enthusiastic, paying (and more demanding) customers are emerging, how are they actually consuming music? Is there a consumption pattern overlooked that could unlock new ways of marketing a music service?

The journey from classic record sales to illegal downloading of music to legally streaming hits from your computer has been a long and winding road. The challenges faced by the music industry have seemed to never end. With the emergence of new actors on the market we are starting to see a change. This is due to the innovative business models and potential for mass-market reach that are part of new global technologies.

One of the complementary reasons behind wanting to study consumption behavior in relation to music is the potentially large impact that mapping these consumption patterns can have from a competitive perspective. As owning and using a computer daily is increasing consumers become more and more vulnerable to lock-in mechanisms and aggregation of switching costs. Users of information technologies are notoriously subject to switching costs and lock-in (Shapiro & Varian 1999). To illustrate I am using an example: As soon as we find ourselves having chosen between a Mac or a Windows operating system for our computers, saved all our files in our particular choice, installed programs specific to that operating system as well as learned how to use that system, we are more or less stuck. At this point switching can prove to be truly expensive in terms of monetary spending, time involved and mental distress. If people consume music mainly based on these programs, their ability to later switch to other forms of music consumption might be significantly diminished.

1.2 PURPOSE

The purpose of this thesis is to investigate and create an understanding for *how* people consume music and the varying reasoning and patterns that can be found in relation to this.

By looking at factors that influence music consumption, and the different types of ways available for consuming music, light can be shed on a consumption pattern that is important to a lot of people.

To motivate this purpose I have three reasons in mind:

- This is a central issue for actors within the music market
- Technology shifts in the past differ from the change we are seeing now. Historically you moved from one way of consuming music to another. A classic example is switching from vinyl to CD. Today we are looking at a period of parallel exist. Sources for consuming music have a much more ubiquitous range (Nielsen 2011).
- The changes that have sprung from the last 20 years have also changed consumption patterns, which in turn change the way people switch between ways of consuming music.

This thesis' secondary purpose is to create an understanding for *how* music consumption affect peoples *switching behavior*. What I want to do is expose the most important ways of switching from one way of consuming music to another. I want to see how people have gone about switching between ways of consuming music now, as well as throughout their lives.

The study takes its base in two main theoretical reasons behind consumption. These reasons are divided into cognitive and affective motivations. A third action-oriented approach is added to fully describe *how* music is consumed.

1.3 EXPECTED CONTRIBUTION

The main contribution of this thesis is to elucidate and create an understanding as towards how people consume music in today's ubiquitous society. As a result of this investigation behaviors and processes underlying music consumption can start to be unveiled. With a better understanding of how music is consumed, the industry will more powerfully be able to continue affecting people in a positive way. The rapid changes in profitability, business models and technology that are currently sweeping through the music industry might seem less intimidating if the 'how' behind music consumption patterns is revealed. By adding knowledge to how music is consumed, I hope to increase understanding of this complex consumer behavior.

For businesses in general my hope is that they can draw conclusions from music consumption and apply these to their own field. With music having gone through several technology shifts and aspects to its consumption behavior, this can serve as a case. Businesses in various areas striving to develop and prosper alongside its customers in the new network economy could take inspiration from the changes and opportunities unlocked in music consumption.

According to my investigations there has not been much research on the topic from a broad music consumption and switching focus. Most theories focus on buying as equivalent to consumption, which narrows the potential insights one could gain from knowing more about how people actually consume music. Thus this thesis would be able to contribute to a new and interesting arena. From a profit perspective it is highly relevant for actors active in an emerging market (such as online or mobile) to take part of potential findings. The same goes for traditional companies considering potentially launching a new music service in a new way.

Potential interesting results could be:

- New segmentation strategies - where pricing, artists and promotion are involved - could stem from a mapping of how music is consumed. By being able to predict consumer profiles actors within the music industry can prepare their marketing mix in accordance to the changes currently sweeping the industry.

- To get customers to join your service you can make it easier for them to move their preferences within an existing service to yours. Let us say that a customer has created playlists or mix tapes and feel quite content with these as they reflect their music taste. These customers want to keep these lists so they decide to stick with their current choice of technology. But let us assume that a competitor comes along who has the potential to be more appropriately aligned with your preferred consumption patterns. If that competitor has a tool that allows you to move your playlists from your current choice of technology right into their system, what is stopping customers from making that change?

- The “new” IT-bubble is based on services that make you used to them somehow and become a paying service after building a larger customer base. One example is Dropbox, a web based file hosting service that grants your more storing space if you recommend the service to your friends. If you want more space than the number of friends you recruit you have to eventually start paying. So in one way this is both a ‘free first charge later’-service

(similar to Spotify) but also a networking service, since you involve your friends. If we know how music is consumed, we can tangent upon if these customers would pay for our particular service or not.

- In the networking economy it is inevitable that networking itself might be a strong factor underlying how music is consumed. Facebook, as the well-known example, can protect themselves more easily against competitors than less familiar services like Dropbox. This is because, in general, all your friends are already members. This networking effect makes it tedious to join a new service, repeatedly fill out membership information and start all over with connecting socially. This is one of the ways companies keep or increase their customer base, by joining arms with an already existing network. If the music consumption patterns indicate that these network effects are strong or trigger certain behaviors, it is easy for us to adjust our business to serve the client in a better way.

- Another finding could be how customers switch between different forms of consuming music. One scenario is that those individuals who used to watch music videos on MTV have switched to YouTube, or the ones that bought radio have moved over to online music streaming services. The behavior behind this could be useful for many industries as it points to a bigger picture in the terms of adopting new technology or not.

1.4 DEFINITIONS

I have provided a set of definitions to clarify the technical terms mentioned in this thesis, as well as some broader concepts. A listing and explanation of various software, brands and technical terms will not be provided, as this would not meaningfully contribute to the purpose of this thesis or the reading experience. Definitions of theoretically significant terms are provided in the theoretical part of this thesis.

1.4.1.1 MUSIC CONSUMPTION

The term music consumption is defined as follows: “Listeners may now consume music on one of two ways: by attending a live performance or by listening to recorded music, which may be in the form of personally owned recordings or some other medium such as a radio.” (Lacher & Mizerski 1994).

To explain the diversity of this definition I will expand on some examples: Consuming music can be done by listening or experiencing music through a choice of technology, media, genre

or setting. Thus listening to classical music on the radio while taking a bath, as well as going to a live rock concert at Times Square are both forms of music consumption.

Examples of technological consumption forms are: through a stereo, via a software application or using a Walkman. Technologies that are less common in this day and age are naturally part of the grouping, such as old 78 records or phonographs.

In order to see how music consumers tend to switch, stay or change the ways they consume music a set of different theoretical inputs have been used in this thesis. These ways of consuming music range from online streaming services to listening to classic vinyl gramophones. There is also the alternative of illegally downloaded music or illegally copied CDs. People might have bought music files online at retailers such as iTunes and Amazon. Naturally, they can also be CD players, stereos, iPods and all other technological gadgets that allow people to enjoy music in different settings.

1.4.1.2 TECHNOLOGY

Any form of technology used or connected to music consumption in a direct way is termed *technology* (or sometimes media) throughout the thesis. Technology can be in the form of a stereo, speakers, a radio, a vinyl player, a CD player, an actual CD, an mp3-player, a *branded* mp3 player such as an iPod, a computer, a home movie system, ear phones, a music streaming software, music files of varying kind, file sharing software, etc.

In a sense, this definition of technology begins to also evolve and eventually include that of a record collection. This is relevant since we are interested in seeing how much people have invested not only in machinery for playing music, but also in the albums and separate songs themselves. A vast record collection signals (or at least used to signal) a stronger interest in music due to the investment made. It also signals how the consumer is linked to the technology available for playing the type of records in this collection.

1.4.1.3 INVESTMENT IN PREVIOUS TECHNOLOGY

By investment I am referring to monetary investment in technology throughout someone's active music consuming years. The value is strictly measured in monetary terms, such as direct cash payments at time of purchase as well as lease payment plans and renting of equipment. I am not referring to emotional investment unless this is clearly stated, e.g. as a clarification of one type of switching cost.

1.4.1.4 SHARING VS. RECOMMENDATIONS

When I say that people *share* playlists, I refer to both technological versions of sharing as well as verbally spoken forms. For example, an individual can send a playlist created in a software or service of choice (ranging from a word document to a iTunes playlist and everything in between) to another person or set of individuals. The mediums for sharing, be it via e-mail, Facebook or chat, are all equally important.

When describing that individuals *recommend* music, I mean the act of actively telling them that you are recommending a song, album, brand, stereo model etc. Simply sharing is not enough to be considered recommending.

These two concepts are overlapping, as it is hard to tell the difference between simply sharing something and more actively recommending it. Nevertheless, the distinction made for simplicity is that *sharing* is general as well as slightly passive, whereas *recommendation* is active and directed to certain individuals.

2 THEORETICAL APPROACH TO MUSIC CONSUMPTION

In this chapter I will provides an overview of previous research conducted within different conceptual areas relevant to the topic of this thesis. These concepts are then narrowed down into two contrasting models relevant for studying how people consume music. A typology on consumption practices is also added. Finally the chapter provides a perspective on how the models will be used throughout the analysis.

2.1 DEFINITION OF CONSUMPTION

A classical definition of consumption would from an economic point of view be the opposite of production *or* how goods and services are used up by either consumer purchasing or in production of other goods. Classic economics also view individuals as rational and that they are choosing the time path of their consumption to maximize a utility function subject to their intertemporal budget constraint (Jones, 2011). What this means is that consumers base their choices on consumption choices on systematic information processing. An initial problem with this definition is how it scopes only tangible and measurable external reasons such as price, proximity of store or objective quality. It also assumes lack of information asymmetry, which is not the case in real life. In reality, sellers may have more information than buyers, or the opposite.

Since music is not always "used up" as a resource when consumed or with the motive of consumption being rational the definition of consumption used in this thesis has to be broader. Warde presents a good alternative: "a process whereby agents engage in appropriation and appreciation, whether for utilitarian, expressive or contemplative purposes, of goods, services, performances, information or ambience, **whether purchased or not**, over which the agent has some degree of discretion." (Warde, 2005)

It is important to view the whole spectrum of consumption, thus the clarification "whether purchased or not" highlighted in the definition above. If we only consider purchased consumption the mapping of how people consume music becomes too narrow. If we dealt with a product such as ice creams in single packages that are typically consumed in association with purchase the mapping would be more bearable. Music can be a product or service as well as a recreational form of pleasure, sometimes consumed without the users approval. Music can thus even be consumed involuntary, such as when a marching band walks by your office building.

2.2 THEORETICAL BACKGROUND

There is little research focusing on *how* people consume music. To start filling this gap I have constructed a descriptive qualitative indication of how today's ubiquitous society consumes music. The majority of studies covering the topic of consumption have been about consumption defined as purchasing and buyer decisions and behavior. Consumption and the purchase have been considered as one entity instead of problematized or expanded. Some of these purchase-oriented theories and models on consumption have focused on rational decisions and some on emotional decisions.

In general, research within consumption decision behavior makes a distinction between cognitive decision making models and affective decision making models (Hoyer et al 2013). The cognitive models emphasize how consumers collect systematic information in order to make decisions. They process information about price, product etc. in order to choose between alternatives on the market. As a contrast - the affective models work under the assumption that consumers base their decisions on feelings and emotions.

There are two major underlying factors that theories draw upon as explanations for consumption – *cognitive* behavior and *affective* behavior. These two guiding paths will determine the models used to interpret the data collected.

2.3 MODELS FOR STRUCTURING MUSIC CONSUMPTION

As theories on consumption focus on either cognitive or affective behavior these two ways of viewing consumption will be the staring point of the model in this thesis. After this a third action-oriented theory is added to unlock how music is consumed and interpret the respondents' answers.

2.3.1 COGNITIVE: BLACK-BOX MODEL

In classic economic terms people make consumption decisions based on conscious economic calculations. Individuals seek to spend their income on those goods that will maximize his or her utility (or satisfaction). This reasoning dates back to classical economic writings of Adam Smith where utility maximization is an assumption in many models.

By using a classic consumer behavior model within marketing theory such as the 'black-box model' (or a stimuli-response model) we are opening up to focusing on *how* people consume music instead of reasons behind why they are doing it. This black-box model to some extent ignores what is going on in the human (the black box) in favor of discovering which inputs or stimuli produce the desired output in terms of buying behavior.

ENVIRONMENTAL FACTORS		**BUYER'S BLACK BOX**		**BUYER'S RESPONSE**
Marketing Stimuli	Environmental Stimuli	Buyer characteristics	Decision Process	
Product Price Place Promotion	Economic Technological Political Cultural Demographic Natural	Attitudes Motivation Perceptions Personality Lifestyle Knowledge	Problem recognition Information search Alternative evaluation Purchase decision Post-purchase behavior	Product choice Brand choice Dealer choice Purchase timing Purchase amount

Table 1 - Consumer behavior – Black-Box Model

A cognitive rational model such as the black-box model tackles how buying decisions are made. The model starts with external environmental factors such as market stimuli involving product, price, promotion and place. It also incorporates environmental stimuli such as economic, social, political and technological factors. The next step is what happens within the consumers mind, thus often referred to as the 'black box'. The consumer must now interpret

all the stimuli previously listed in order to produce a response. How this interpretation is done depends on the buyer's characteristics, which influence how the stimulus is perceived. There is also a decision making process involved which determines what kind of buying behavior is undertaken. Last but not least a buyer response is undertaken based on the previous steps in the model. Consumers can make choices regarding type of product, brand, dealer, timing or amount.

In music consumption, the black-box model can help us structure choices and reasoning regarding tangible factors.

2.3.2 AFFECTIVE: HEDONISTIC CONSUMPTION MODEL

Many consumption theories use emotion as a backdrop for explaining why or how people consume. Music is an emotionally affecting product unlike any other. It is vastly used as an emotional trigger in religion, the arts as well as in propaganda. Film scores are a good example of how emotionally enhancing music can be. Imagine Hitchcock's film Psycho without the bathroom scene music or Indiana Jones' action scenes without the upbeat theme song. This should give you a colorful picture of to which extent music affects its listeners emotionally.

Music is proven to be effective as a mood alterer and a legitimate part of depression therapy (Bodner et. al 2007). Music consumption is also found to lower stress hormones under stressful conditions as well as have arousal-moderating effects (Yamamoto et. al 2007)

With emotion being one of the strongest responses that music can trigger it is only natural for a section of consumption-oriented models to have emotion as a big part of them. One of these models that is highly suitable for analyzing music consumption is the Hedonistic music consumption model developed by Lacher and Mizerski in 1994. This model is also focused on the intention to purchase, which makes it able to connect to the cognitive and rational black box model. Lacher and Mizerski's (1994) are looking at the relation between responses during a consumption experience and how they affect a decision to purchase for later consumption. The purpose of the hedonistic model is to examine the responses evoked by listening to music, and then to determine if these responses influence the intention to purchase. The schematic is as follows:

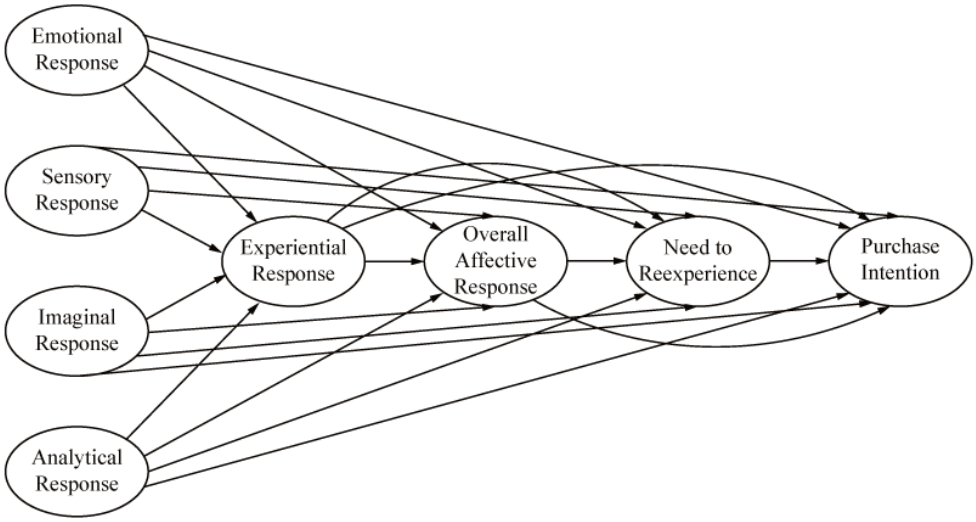

Figure 1 - Hedonistic model of Music Consumption and Purchase Intention

Hedonic consumption explores from an experiential and subjective view, instead of as an information-processing event. The model starts off with four response categories that describe responses created by listening to music. These *responses* are then followed by *constructs* that link together sequentially on a path towards music purchase.

2.3.2.1 RESPONSES

Emotional

Emotional responses are feelings as a result of music listening. These can be joy, sadness or exhilaration, to name a few.

Sensory

Sensory responses are a primal form of motions inspired by the music. An example of a sensorial response is swaying in rhythm to the music, or feeling urged to move in its direction.

Imaginal

Images, associations or memories evoked by music are part of the imaginal response. This response captures the fantasy part of hedonic consumption. Imaginal responses can also be nostalgically linking music with certain events in time.

Analytical

Cognitive and analytical responses to music are gathered under this category. An example is expectations on tempo based on previous music listening, labeling of songs as belonging to a certain genre and contemplation regarding melody structure or composition.

2.3.2.2 CONSTRUCTS

Experiential

An experiential response is being immersed in the music and hypnotized by it, in the same way that reading a book can create a temporary alternative reality as one embraces the story.

Overall Affective

The affective responsive will be driven by the four response categories in the first part of the model. As affect is the key word here and example of this construct is experiencing a feeling of getting caught up in a song.

Need to Reexperience

A person's desire to hear certain music once more is the strongest driver for purchase intention and is an end result of all the above constructs and responses. Feeling a need to temporally control how often and when you as a consumer can listen to a certain song determines your need to reexperience.

Purchase Intention

All responses and constructs lead to the intention to purchase or not to purchase music. Lacher (1989) argues that purchase is important if you wish to control music and time selection.

2.4 PERSPECTIVES ON CONSUMPTION MODELS

The previous chapter has covered the ideas and set-up of two different ways one can model findings surrounding consumption. They both cover sets of stimuli, resulting in responses that then trigger actions or behavior, with focus on consumption in the definition of purchase. These models are separate given their disparate cognitive or affective focus, but they share an important common expression where the end goal is a buying decision in some form.

Stimuli →	Response →	Behavior →	Consumption/Purchase

Table 2 - Shared process of cognitive and affective models

As buying in itself is usually equivalent to consuming in many cases, this is not true when it comes to consuming music. Music can be consumed whether or not it has been bought. And once it is bought, it can be consumer over and over again.

This form of consuming without purchasing problematizes our theoretical take on consumption. To glance further into theoretical frameworks regarding consumption and the

wider aspects of it I have added a dimension with a more modern theory developed by Douglas B. Holt.

2.5 A TYPOLOGY OF CONSUMPTION PRACTICES

Holt (1995) has developed a typology of consumption practices that represent the variety of ways in which consumers interact with consumption objects. This typology present distinct metaphors for how people consume. These four metaphors can be overviewed by using a 2x2 matrix. The metaphors are divided into four quadrants based on purpose of action and structure of action. Purpose of action is divided into two parts - namely if consumption is autotelic (an end in itself) or instrumental (means to some further end). Structure of action is divided into object actions where consumers engage directly with the object and interpersonal actions where there are interactions with other people in which consumption objects serve as focal resources.

		PURPOSE OF ACTION	
		Autotelic actions	*Instrumental actions*
STRUCTURE OF ACTION	*Object Actions*	**Consuming as Experience**	**Consuming as Integration**
	Interpersonal Actions	**Consuming as Play**	**Consuming as Classification**

Table 3 - Metaphors for consumption

The table above provides an overview of Holt's typology of consumption practices. The four metaphors are described below.

Consuming as Experience: This metaphor entails how the consumer experiences consumption objects embedded in their social worlds that is structured by the interpretive frameworks that they apply to engage the object. It is based on research examining subjective and emotional reactions to consumption objects. Emphasis is put on emotional states that arise during consumption. Consumers *interpret* (account), *evaluate* and *appreciate* the consumption objects.

Consuming as Integration: This metaphor describe how a valued consumption object can become a constitutive element of a person's identify or self-concept. Examples are to become a part of the *production* of consumption objects by modifying them in order for them to fit

your individual tastes, or by *personalizing* e.g. remixing existing songs or playing them in a new way. Another example is using consumption objects to clarify to yourself and your surrounding which category of music listener you are or type of person. You might also want to *assimilate* - i.e. show your competency in a certain role.

Consuming as Play: This metaphor picture how people use the consumption object to engage in playful behavior, for self-entertainment where the interaction has no ulterior end and for playful interaction with others. Basically - the consumer uses consumption objects as resources to interact with other consumers. The point of doing so is interaction for interaction's sake - simply to have fun in a social setting. Part of the metaphor is sharing the experience by *communing* or *socializing* through replicating or performing the experience, often in a witty way.

Consuming as Classification: The practices of this metaphor illustrate how consumers use consumption objects to reach meanings. The objects are also used to classify themselves in *relation* to others. These practices build affiliation and enhance distinction. An example is to use consumption objects to signal financial success or superior knowledge towards other people. One can either *classify through objects* by classifying themselves or others through meanings associated with consumption objects, or one can *classify through actions* namely by classifying depending on the manner in which they experience the consumption object. The object meaning is irrelevant and instead *how* one interacts with the object is of importance.

2.5.1 USAGE OF THE TYPOLOGY IN THE THESIS

By using Holt's typology of consumption practices we add a dimension to the definition of consumption as purchase. The typology presents an alternative way of viewing consumption beyond simply buying a product and 'using it up'. By dividing the metaphors based on purposes or structures of action we end up with two main paths - consumption as *purchase* or *action*.

A side note as to why they are grouped into these two paths can be explained by a will to make them more interesting, a purpose in itself (Zaltman et al 1982). They are also grouped due to methodical reasons, which is covered below. By grouping the theories in descriptive and thematic terms the analysis becomes more useful and "appropriate to the needs of the intended audience" (Zaltman et al 1982).

Our theoretical model can be summarized as follows where the answers of the participants having either a cognitive or affective focus. Then an assessment is made whether the answer is themed towards a purchase or action oriented response.

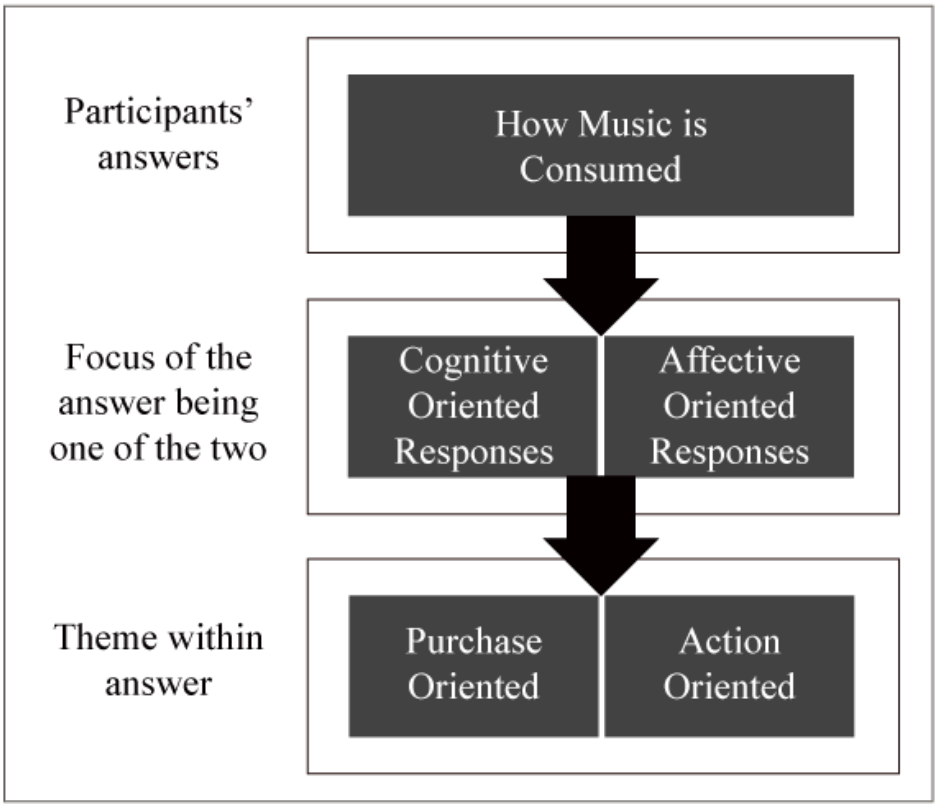

Figure 2 - Theoretical model

3 METHODOLOGY

This chapter serves to motivate and describe the methods used in this thesis to clearly provide an understanding of: the design of the study, execution of interviews as well as participant sample selection. Validity and reliability is also covered.

The goal of the study was to understand how people consume music. With the focus on *how* rather than *why,* the choice fell upon qualitative interviews for the empirical base of this thesis. My interview study focused on music consumption and slightly on switching behavior.

3.1 COLLECTION OF EMPIRICAL DATA

The purpose of the methods used in this thesis was to discover and touch upon all possible aspects of how music is consumed. The qualitative nature of the topic and its sole focus on *how* suggested that the collection of primary data should be in the form of interviews.

Another approach that was considered was focus groups but proved difficult to arrange within a reasonable time span. Focus groups were also ruled out as they show "little grounding in any science" (Zaltman 2003). Quantitative studies were well considered but had to be discouraged for two reasons; availability of tutors familiar to the area and topic direction in the early phases of the thesis work. Thus the primary data in this thesis consists of in-depth interviews. The interviews followed a semi-structured format to encourage participants' own spontaneous will to elaborate, yet still focusing on the main topic and questions that needed answers.

3.2 PARTICIPANTS AND DESIGN

The demographics chosen were eight Swedish individuals ranging from 22 to 68 years old and six Americans ranging from 23 to 70 years old. The two nationalities were chosen based on proximity and ease of contact, their broad access to new technology/innovation and their respective countries' leading roles within the music industry.

In total 14 individuals participated in qualitative interviews during May 2012. They participated out of free will after being consulted by a friend, a colleague, a relative or me. They were not given compensation for their participation but in 5 cases they were treated to a coffee, beverage or product of similar kind during the interview. All of the participants had a connection with me as the interviewer. This was either as a first connection (friends or relatives) or a second connection (friends of friends, colleagues or relatives).

The chosen variation among respondents was based on how much they had invested in previous technology. This spectrum is important because it gives us a clear monetary value. Some respondents are heavy investors and some are not. Account was taken to age and how accumulative worth of investments can provide a biased base point. This was avoided by regarding their investment as fixed to certain time spans in their life and their consistency in investing heavily or not. The participants were also selected based on the widest range of characteristics that were available at the time of the study's execution.

3.3 EXECUTION OF INTERVIEWS

The qualitative in-depth interviews took approximately one hour per person and focused on how the respondent is and have been consuming music.

None of the participants knew beforehand what they would be interviewed about, except that it would take approximately one hour and be about music in one way or another. They were not asked to prepare anything. The Swedish participants and one American participant were interviewed in a neutral environment with reasonable acoustics such as an office, library or calm coffee shop. All except one of the American participants were interviewed via Skype's video call service. They were asked to treat the video call as if they met me in person, and perhaps have a warm beverage available to make it more relaxed and similar to talking over a coffee.

During the interviews that took place in cafes, five of the participants were treated to a beverage. This will be neglected in terms of potentially having a biased effect on their answers. My decision for not considering the bias is due to the relaxed and open nature of each interview, and the small monetary value of such a beverage.

The interview answers where written down on a laptop throughout the interview. The interviews that took place face to face were also recorded on a mobile phone placed on a table. The interviews via Skype were recorded with free software called *Call Recorder for Skype* where the interview was saved as a QuickTime file on the laptop. These two methods of recording were intended as secure back up in case any information would have been lost. The recordings where listened to in six cases and transcribed. These six cases were interviews where some of the answers had been too elaborate to note in real time.

3.4 THE INTERVIEW

All the interviews ranged between 50 and 70 minutes in time. The interview was prepared based on theoretical background, aiming to cover any theoretical findings that might be of interest. The questions, either open or polar, were systematically chosen to enhance the theoretical framework presented in this thesis.

The interview questions covered basic facts about the participants. Then the questions moved into music in general from both emotional and rational aspects. The questions also covered reasoning regarding price and quality, as well as habits and routines. The respondents' typical music consumption patterns were investigated. Participants were allowed to speak freely about their relationship to music in between the questions.

3.4.1 OPEN QUESTIONS

Based on Zaltman's (2003) ideas for qualitative interviews the questions were seldom asked straight on. Instead open inquiries and the encouragement of metaphors were applied.

Two thirds of the questions can be considered open ended, allowing the participant to speak freely of whatever came to mind regarding the topic. The open questions were developed with inspiration from *The Metaphor-Elicitation Process* developed by Gerald Zaltman (2003). This process is used to investigate thinking that drives behavior. Although Zaltman's process is mainly interested in the reasoning behind *why,* I saw the potential for unlocking *how* as well. An example of an open question is "What is music for?" where the respondent has many alternative answers to choose from. To further probe the participant's mind and encourage metaphoric answers I used effecting probing questions that stemmed on to answers, with the purpose to allow participants to respond in multiple, often unexpected ways.

3.4.2 POLAR QUESTIONS

One third of the questions were polar questions, leaving the participant with mutually exclusive alternatives to choose from. These polar questions covered simple topics such as age and address.

As described in the theoretical part of this thesis, the consumption models served as a base from where the questions were developed. The mere existence of variation in questions showed me, beyond their actual answers, during which part the participant became more engaged and outspoken in their answers and where they became more passive and neutral. Some participants reacted vibrantly from questions that focused on emotional aspects of music and others from more rationally oriented questions.

3.5 VALIDITY AND RELIABILITY

To ensure validity and reliability two areas were overseen: the interviews and the participants.

When it came to the interviews a pretest was made to make sure the tempo and associations made sense during interviews to come. To encourage participants to elaborate on certain topics various prompts were used as cues throughout the interview. The points of the prompts were to dig deeper into either the participants' procedural details around their behavior, or

self-motivated reasons behind their actions. I also refrained from phrasing questions in a research-oriented manner, thus excluding the use of thesis-specific literary terms such as consumption, switching, purchase etc.

Screenings were conducted regarding the participating respondents to investigate suitability for the interview and topic at hand, as described under 'Participants and Design'.

3.5.1 CODING OF QUOTES

A total of 412 quotes were gathered, coded and categorized in a spreadsheet. Based on the model the quotes were broken down into a single line about its core message, and then coded as to being mainly cognitive, affective or action-oriented. Quotes could also be coded as overlapping several orientations. After this an extra note was added based on Holt's typology of consumption, indicating whether the quote was a form of consuming as experience, play, integration or classification. An extract of coded quotes can be found in appendix B.

4 RESULTS

This chapter is divided into four parts. The first part is an introduction to the results. The second part deals with how music is consumed within a mapping suitable for the conceptual models highlighted in the theoretical chapter of this thesis. The third part develops the findings that go beyond the limitations of the theoretical models, bringing in theories from more disciplines.

4.1 INTRODUCTION TO THE RESULTS

The results are solely based on 14 interviews with a range of individuals answering questions about their music consumption. The participants' answers have been treated with respect for their right to express personal opinions. The participants were between 22 and 70 years old. Six of them were American and eight of them were Swedish. The participants showed a broad spectrum of consuming music when it came both to time spent and various ways of doing so.

I turned out that the respondents all consumed music daily, in one form or another. The estimated time spent listening to music (both actively and inactively) ranged between 15 minutes to 15 hours per day.

Some of the respondents were pure music enthusiasts, listening with focused interest to high quality recordings of their favorite artists. Some were prone to trying out new things, went through phases in their consumption. Some listened without engaging themselves deeply at certain moments throughout the day and then vigorously focused on music during a specific time, often when being alone. In short, the ways people consume music are broad and varying. A number of respondents viewed music as very important in their life, whereas some did not stress music's importance, and yet listened quite extensively throughout the day. The responses will be covered from a theoretical view in the coming parts of this chapter.

4.2 RESULTS FROM THE INTERVIEWS

The results will initially be covered from a two-road perspective based on whether the quote is *purchase* or *action* oriented, a distinction developed in the theoretical chapters of this thesis.

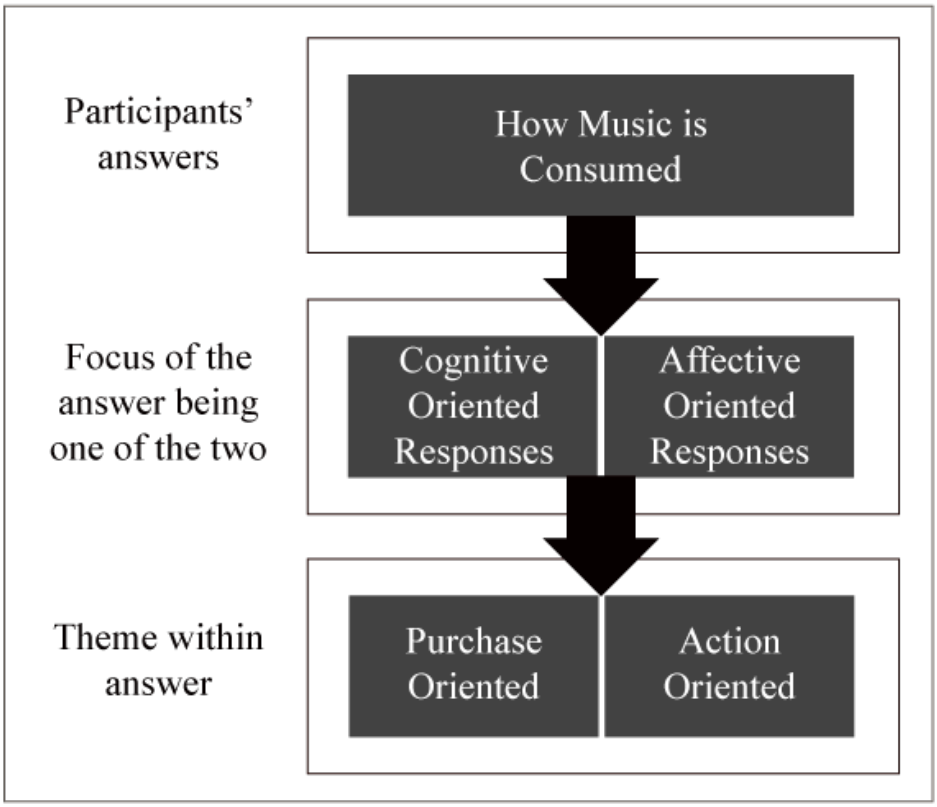

Figure 3 - Mapping of results from interviews

4.2.1 PURCHASE-ORIENTED FINDINGS

4.2.1.1 CONSUMPTION BASED ON COGNITIVE-ORIENTED RESPONSES

Consumers who evaluate the sound quality of the music, the technology used to play it as well as the message, tempo etc. in the songs, these are consumers that show patterns of cognitive thought focused consumption. They put emphasis on conceivably measurable aspects surrounding their music consumption and thus can be considered having a rational way of choosing how to listen to music.

These respondents that uttered the most cognitive-oriented responses relied heavily on expert opinion and recommendation, they scouted the market for sound advice as well as compared prices, technical specifications and were aware of what it would take to quit a subscription or switch to new technology. In general, they were *informed* or made sure they would be. By considering price as a cognitive reason for purchasing, quitting or switching the participants also showed clear patterns in being willing to compare and investigate price alternatives on the market. Transparency and comparability was important.

This group tended to buy new technology slightly earlier than other respondents, valuing sound and performance more.

> *"Ok, sure, illegal file sharing is free. But I want the best quality on my songs so I only buy CDs or specific sound files. Otherwise it can end up anywhere, you'll start listening to blurry radio quality all of a sudden"*

This respondent values the sound quality of certain files or recordings. An interesting aspect here is that price is not as important as quality for this individual. Clearly, the respondent has some internal pricing where certain degrees of quality are justified by higher prices.

> *"I mean I have all this great stuff, with great audio or at least it was great at the time I bought it, so I try to listen to songs on my sound system. It's not often, but I do it, to make use of it"*

As a result of prior investments the respondent feels the need to use the technical equipment he has once bought. This can be explained in part by the phenomenon of sunk cost, most commonly portrayed in the saying "throw good money after bad". We can define sunk cost as Arkes and Blumer (1985) describe it: "The sunk cost effect is manifested in a greater tendency to continue an endeavor once an investment in money, effort, or time has been

made". The authors find that the psychological justification for sunk cost behavior is predicated on the desire not to appear wasteful.

Sunk cost is part of a bigger concept called cognitive dissonance which has been extensively studied in social psychology. The theory brings up the dissonance, which might occur after making a choice between to mutually exclusive, and both attractive, options. With dissonance the author refers to discomfort and often a feeling of shame, fear or surprise. To avoid the dissonance, the person makes up a story, a rationalization, to make the chosen alternative seem better (Festinger 1957).

The theory on cognitive dissonance is relevant to music consumption in many ways. With the choices available in music consumption today, the chance of "choosing the wrong alternative" is quite high. A bad stereo or a dysfunctional music streaming service is most likely out there and available for purchase. It is not always easy to determine which choices are good and thus you risk buying a product that doesn't work, is ineffective or provides a low-quality experience.

After such a decision, even though the bought alternative turns out to work fine, cognitive dissonance might occur nevertheless.

A classical business school example of sunk cost is in the description of a project that is allowed to continue even though it is not profitable. To clarify: a company invests in a project that eventually turns out to be unprofitable. Since the investment has been so big, the company continues to implement the project, because if it did not do so all the accumulated money invested would be considered a waste.

> *Most of my music listening if from my iPod. It's convenient, I know how to find everything, the way iTunes works is great. It's just a great tool all in all.*

Chooses a certain technology due to ease of usage. This is often mentioned as a reason behind choosing brands and types of music playing technological tools and services. Ease, convenience and accessibility are important terms.

> *It should be real easy to control your device. Quick on and off buttons. Clarity is important. It shouldn't take a lot from me or the device to play the music. I want complete control of which songs to play and when etc.*

Some people use music as a tool to reach a higher goal.

> *When I was a student I listened to classical music a lot because I had once read that it would stimulate your intellect, so I used it while studying.*

This respondent had a clear cognitive reason for consuming classical music throughout her student years.

> *I'm really a fan, I know everything about my favorite bands. So I don't just listen to the music, I find out facts. Which changes the way I interpret songs.*

Some respondents fully incorporate their music consumption into a wider meaning, such as finding out information about bands. This context later changes the way they experience the music.

> *I compete in bugg (resembling modern jive) dance and I love to hear the music while practicing and performing*

Some respondents consume music as a part of a hobby or external activity. In a sense this can be seen as involuntary. Other examples of involuntary music consumption are the following quotes:

> *While traveling to school I hear other peoples music through their head phones, sometimes I like it and sometimes it sucks.*

> *When I'm shopping groceries they have music, different music in different departments in my convenient store, it's good sometimes, depending on the songs. Most of the time I don't think about it.*

Respondents with cognitive-oriented responses regarding their music consumption tended to be aware of how they switched between technology products or services. The most important reasons for switching was price, followed by inconvenience (either in a physical or online store/software) and finally competition/quality issues.

This group was surprisingly well represented in their usage of illegal file sharing, justifying the act from a rational point of view by highlighting external reasons:

- The most common justification was describing the desired music files as impossible to find anywhere else. This is naturally not true, the music is available no matter how

exclusive and niched, otherwise it would never have ended up as a shared file online. On the other hand the music might be very exclusive and hard to come by, especially if you are living in a smaller town.

- The second most common form of justifying file sharing was placing a monetary value on time browsing for files. In order to find the desired file they had to spend a lot of time browsing. This time then translated into an internal pricing reference, where one hour or another time-span could be seen as *paying* for the file found.

Some cognitive-oriented respondents demonstrated clear brand preferences which they explained with facts and reasoning. Others showed the exact opposite attitude, they did not value brand consistency and considered brands as a faulty evaluator of quality. This is an example of an overall tendency where cognitive-oriented interview participants showed clear patterns in trying to explain or justify subjective behavior based on logic.

> *I'm not fond of any particular brand, I just check reviews and browse forums, it's extremely important. I look for info forever before I buy anything to play my music on.*

Cognitive respondents look for information to justify purchasing choices as well as claim to be brand unbiased to fully describe themselves as rational and clever in their product choices.

The group with the most cognitive-oriented responses considered themselves as having good music taste, they also had some idea of what types of listeners there were out there. The group had concise answers to every decision, valuation and judgment behind their respective switching choices. This was not the case for the other participants.

When being asked to assess their music collections and list music related technology in possession the rational group showed little or no hesitating in estimating total numbers, stating brands and explaining specifically where and when what type of technology was used.

Music can be considered as irrational in its very nature but the cognitive-oriented participants managed to find rational reasons for their music consumption in most of their answers.

4.2.1.2 SWITCHING COST

Some of the cognitive-oriented responses circle around the concept of switching costs. When a consumer decides to, for whatever reason, switch from one supplier to another, there are typically costs associated with making that switch. The higher the switching costs are, the more unlikely the consumer is to switch.

In the music industry the most common form of switching behavior has to date been the scenario where consumers abandon their current use of technology in favor of new inventions. People that have used vinyl players have switched to CD players. CD players have in their turn been left behind in favor for digital music. Today's global and digital economy offers new switching behaviors.

Types of switching costs can include fees induced by leaving a company, time spent searching for products or learning how to use them, the cost of the actual product or service and risking to be socially perceived in a new way after making a switch.

There are a number of definitions of switching costs. One description is Thompson and Cats-Baril (2002) defining switching costs as "the costs associated with switching supplier" and Farrell and Klemperer (2007) who mean that "a consumer faces a switching cost between sellers when an investment specific to his current seller must be duplicated for a new seller" which further paints a picture of what switching costs are. Hess and Ricart (2003) go about their definition as follows: "Customer switching costs are generally defined as costs that deter customers from switching to a competitor's product or service. These costs include elements such as the customers' time, effort, and knowledge that they invest in products, services, or relationships."

I mostly listen to music on my mobile phone. I used to have an Ericsson and didn't switch brands for many years just because it's hard to learn how to use a new brand. Last year I switched to an iPhone because I thought to myself 'how hard can it be?'.

The most heartbreaking switch I've made was giving up using actual physical forms of music such as CDs or cassettes and moving towards digital files. But it had to be done.

These definitions provide different views of what switching costs are, as well as a way of understanding how it can change over time as markets and consumers adopt new behavioral patterns and cultural consumption trends.

In order to more clearly distinguish between the different forms of existing switching costs, the topic has been researched further. Researchers have attempted to develop groupings or categories in order to noticeably see the variation between the numerous types available.

Burnham et al (2003) has developed a typology that identifies three types of switching costs: (1) *procedural switching costs*, primarily involving the loss of time and effort; (2) *financial switching costs,* involving the loss of financially quantifiable resources; and (3) *relational switching costs,* involving psychological or emotional discomfort due to the loss of identity and the breaking of bonds. This typology correlate somewhat within the fields of cognitive, affective and action oriented consumption patterns.

4.2.1.3 CONSUMPTION BASED ON AFFECTIVE-ORIENTED RESPONSES

All respondents have some emotional reasoning and connection to their music consumption. Some of the respondents showed a clear pattern in consuming music from an emotional perspective. As soon as the interview begun to focus on music consumption their engagement in answering the questions becomes very passionate. They were vague yet thorough in their answers, attempting to express how important they feel that music is. They mentioned emotional values such as nostalgia, attachment, feelings evoked or pure music emotion.

Actively listening to music was more common in this group, as well as interpreting the music and lyrics (which can be seen as a cognitive trait). The time spent consuming music varied, but the majority of the group listened fewer hours. The hours spent were in any case always more active than the other two groups.

The emotionally oriented music consumers mentioned music as an inspirational source for emotion and mood. They felt that music was *for* such things as feelings and sentiment. The importance of music was all encompassing in their lives. They could interpret their daily situations by the use of song lyrics or music moods. An example is a participant who helped herself handle an ended relationship with the help of music.

> *Last year I got out of a really long relationship. In order to cope with the feeling of loss and being dumped I turned to music. I listened for hours every day and it really helped.*

This respondent links music to a therapeutically purpose. There are many examples of respondents doing so.

> *When I backpacked I was really ill for a long time. I listened to Celine Dion's My Heart Will Go On and it made me feel better at the moment. I had it on repeat.*

A contrasting quote is in the following:

> *I don't play songs that remind me of past relationships or get me overly emotionally affected. I use music to block that stuff out, or to be able to move on with my life. No one wants to tear up.*

This respondent uses music not to evoke feelings but to block them out or forget. Similar quotes that appeared are the following:

> *Sometimes I want to think about other stuff than what's going on in my head for the moment. Music is a great tool for that.*

The common trait for the affective-oriented respondents is that they are not focused on measurable aspects such as price, which is a finding for the more cognitive oriented consumers. They also appreciate exclusivity more than others such as invites to streaming software or purchases of limited editions. One extreme example is a participant who joined an auction and ended up paying a huge sum for a rare vinyl album autographed by his favorite band Dave Matthews Band. The product itself was unusable and the respondent did not even own a vinyl player. Nevertheless, the object held such emotional value that the price and the function became secondary to the experience of owning the album.

This group was also frequently saving old technology and old albums, even though they did not use them.

They affective-oriented respondents gladly recommended music to others, shared playlist or copied songs to CDs that were later given away as gifts. The ability to share and recommend was of high importance and the topic triggered their enthusiasm during the interview. The individuals that were not prone to using the latest technology such as social media were nevertheless sharers and recommenders in their own way, perhaps using old technology or simply writing down titles of songs or albums. If other people shared or recommended music to them they became happy and appreciative which is not always the case for the two other groups.

They visited concerts more often than others, stating their emotional effect as the first reason for going to a concert. Social connections, euphoria created by music and the proximity to the

musicians playing were strong motivators behind concert attendance. Some paid large sums and/or traveled in order to see their favorite artists. One individual even missed a number of important meetings at his former job in order to attend a specific music festival.

As regards to shopping for music in physical stores, the surroundings such as store interior, staff, and atmosphere seemed to provide a value beyond the product they were searching for itself. The emotional group seemed to link culture and music.

The group also seemed more willing to prioritize music consumption in favor of responsible activities such as work, exercise or studies. They end up listening actively to music very late in the evenings or attending clubs or concerts in the middle of the week. The two other groups show no such resemblance in this behavior.

The affective-oriented participants were seldom pioneers within new technology. They had more often than not switched to new technology out of chance or compatibility issues, such as an old technique becoming outdated and more or less impossible to use. Some of them had been given new technology or new music and thus continued using this new technology or sequentially adapted to it.

4.2.2 ACTION-ORIENTED FINDINGS

All respondents demonstrated some action-oriented reasoning affecting their music consumption. The most common one was choosing form of music consumption based on the activity performed. Whether it be dancing, walking or sleeping, all respondents had a clear image of what music and technology that goes along with the particular activity. No technology or genre was *holy* and switching was the norm, given that the product or service one had switched to lived up to the needs dictated by the activity.

Their prior investments had been linked to usage and the possibility to listen to music in other places than your home. They were also very aware of being able to connect different technology, focusing on compatibility and the practical reason of wanting to put songs on different gadgets stemming from one computer. This was in order to be able to listen while running or traveling.

A lot of respondents mention consuming music in relation to exercise. Here are a few quotes to illustrate this phenomenon:

I crank up my music really high when I jog. Basically it makes me run faster and longer.

I have music when I work out because it gives me energy and rhythm, which makes me continue and work out harder.

When I go to the gym or while waking up, I need music to get my blood flowing! And then in order to wind down, I listen to completely different songs

A few of the respondents can be grouped as mostly action-oriented in their choices of music consumption. Their prime reason for switching or using music at all came down to activities. Music was considered a mean for something else, namely an activity. Any activity would set the genre and form of consumption, even working and doing dishes had special *soundtracks* connected to them.

This group shows both brand loyalty and disloyalty. The reasoning for those who did favor a brand was practical; they enjoyed the enhanced compatibility and minimized time spent on adopting new behavioral patterns. The reasoning for the brand switchers was the same, they listed convenience as a reason for owning several brands of technology, given that their programs indeed were compatible regardless of brand inconsistencies.

Not all of these participants were heavy in creating playlists, and they were certainly not loyal in music taste but they did have a clear view on certain beats and music categories that went well with their activities of choice. Their routines around music choices (choice of genre or choice of technology) for certain activities were highly standardized, allowing them to use the same pattern every time they performed their particular activities.

The most action-oriented group did go to concerts but not exceptionally often, and when they did it was almost seen as an event prior to something else (such as later attending a party) or in order to practice an activity such as dancing.

The group had fixed routines regarding which genre or even media that went to which activity. They could easily map out what radio channel they listened to during a certain season or time span while doing the dishes every day.

> *To feel better during my bad days I listen to upbeat happy pop music*

Clearly music is used as a tool to alter emotions or moods. People use music in order to achieve certain physical as well as mental states. In a sense - music can be seen as a drug to increase everything from heart rate to positive emotions.

Respondents also reveal that they create music, an activity in itself where listening to the music is a part of the process. This is consuming as integration where the consumer is producing and personalizing the music.

> *I like making my own music. I sit at home and compose new melodies and lyrics. I usually start with a melody and then the words come by themselves*

> *I attend a guitar course and then I have to listen to songs and recreate them as a part of my training*

Respondents also explained how they to use music as a means to avoid situations, thoughts or block things out.

> *I listen to music on the commuter train so I don't have to talk to freaks that stare at me*

> *Sometimes I want to think about other stuff than what's going on in my head for the moment. Music is a great tool for that.*

This is partly a social behavior but also links closely to consuming as experience where music is used to alter a mood in order to better cope with a mental state.

Respondents consume music as part of a bigger social picture. They might want to create a certain social setting through music. This is done to set moods, please people and avoid awkward silences. Here we see traits of both consuming as experience, classification as well as play.

> *When I have a date coming over I turn on a certain type of music, part to make it less silent at home and part to set the mood*

I love playing my pre-party play list at a pre-party. I've really fine-tuned to make it a great start of a party night

Respondents also describe their music encounters what are part of a bigger setting, such as going to live performances and the cultural world that is associated with such an experience.

My favorite music experience is going to the opera. It completely fills me with awe. It's larger than life somehow.

This is a situational setting with features of both integration and experiential consumption metaphors.

For example the most common activity linked form of music consumption - listening while working out - is a good example of an activity that sets the tone and rules for how music is consumed. The rules are more a consequence of the nature of working out rather than respondents personal taste and rational reasoning.

4.2.3 FINDINGS OUTSIDE THE MODELS

Beyond the responses that have been presented so far there are some more that may be linked to the model but have clear traits that suit other theories. These theories and quotes are presented in this section.

4.2.3.1 ENDOWMENT EFFECT

The term endowment effect stems from behavioral economics and refers to a phenomenon that deters from classic economic theory and ideas such as indifference curves. The effect is as follows: a person would demand a higher price for a product in their possession than they would be prepared to pay for a new one, even though it is identical to their own. (Kahneman et al 2009). Simply put - when something is a part of one's owned items, these items, whether it be products, services or contracts, become more valuable to you than if they are not.

This error in people's minds regarding valuation of things in one's possession provides some insights into why people might hold on to old products, feel attached to certain brands or companies and deter from giving up old technology. Just as in Prospect Theory (Tversky & Kahneman 1979), this is due to a loss-aversion.

> *- I would never sell my album collection. It's almost a part of me.*
> *- Not even if you could make a lot of money and later just buy all the songs online?*
> *- No. No of course not.*

When speaking freely a few respondents estimated the value of their record collection to be very high. When asked what they would have to pay to buy the equivalent collection in a store right now they mentioned a significantly lower sum. They justified the difference in price with aspects such as rarity, condition, time invested in collecting, and nostalgia for certain details such as a worn corner of an LP cover.

> *I even remember how the cover got the tear. It was my first girlfriend who was dancing around and joking and ended up tearing it, just a little.*

Nostalgia is very much a part of the answers that can be placed in the model as affective-oriented, yet some responses were so clearly a result of the endowment effect that I wanted to put them as a finding outside the model.

4.2.3.2 VARIETY SEEKING

A type of response that spans several aspects of consumption in terms of being both *cognitive* and *affective*, as well as *action-oriented* is variety seeking responses.

> *To be able to vary has a value in itself. That's why I use Spotify, because you can find anything, and switch between genres etc.*

This quote is typical for those interview participants who see a pure value in being able to vary their music consumption in terms of genre or technology.

> *When I was young I could spend half a day browsing and evaluating different albums. Nowadays I'm constantly fed new music, and it is definitely addictive. I want new things, I get easily bored – but can also listen to the same old song over and over again!*

Variety has been theoretically scrutinized and can be seen as a generally interesting topic given that we all seek some variety in life, in one way or another. And those who do not seek variety continue to baffle ordinary people with their consistency. The myth that Warren Buffett eats a hamburger on a daily basis is an example of the type of stories that are easily spread. This particular story turned into a mysterious legend, startling us of how odd it seems

that variety is not highly valued by a man so rich he can chose from any food available on the planet. The research on the topic is wide and well summarized in McAlister & Pessemier's (1982) review of the discipline.

When it comes to music consumption, variety seeking can be applicable in many forms. Some of the respondents choose to buy music spanning over multiple genres, others go through phases in their music listening or simply enjoy buying music playing technology from different brands. The purchase decisions consumers make when repeatedly trying different brands or products is called variety seeking. Typically, it is most common in low-involvement purchases but could be of interest regarding expensive music equipment or albums as well, given the multitude of alternatives available on the market.

The explanations behind variety seeking that I choose to bring forward in McAlister & Pessemier's (1982) review are the ones referred to as *direct variations*; reasons that focus on a preference for change in itself.

4.2.3.3 DIRECT VARIATIONS

- *Intrapersonal Motivation* - linking variety seeking to the existence of an ideal level of stimulation such as novelty, complexity, incongruity and change.
- *Alternation among familiar alternatives* - switching from one product variant to another, even when switching to familiar products can raise the level of stimulation.
- *Interpersonal Motives* - Variety seeking due to social aspects such as group affiliation or individual identity.

Simonson (1990) finds that consumers who make several purchases at once are more likely to vary their choices than those who make sequential purchases. This means that the number of items you buy on a shopping trip, whether it is online or in a physical environment, determines your level of variety seeking at that moment. Since most music related products (actual albums, hi fi equipment etc.) are generally bought one at a time this suggests it would result in little variety. The vast array of choices provided by online music retailers and the nature of browsing and testing (Shapiro & Varian 1999) would imply that variety-seeking behavior in itself could be more easily sparked in an online setting.

4.2.3.4 FOOT-IN-THE-DOOR TECHNIQUE

A few participants had once been given a free sample of a CD or been invited to Spotify. They had later bought CD playing equipment or more music from the same artist, as well as signed up for the paying version of Spotify.

> *I got a free CD from a local store. I didn't have a CD player then but I bought one and then you bet I played the album*

> *I got invited to Spotify really early on during their launch so I considered myself 'chosen' or something. Now that I think of it, I've been using Spotify ever since. I feel really stupid now that I realized this.*

This can be explained by the foot-in-the-door technique. Freedman and Fraser (1966) demonstrated that a person who first complies with a small request is more likely to comply with a larger request later. When the large and small requests are for related activities that differ in their cost to the complying person, the phenomenon is called the foot-in-the-door technique. The small agreement creates a link between the person requesting and the person accepting.

A version of this is one of Cialdini's (2009) key principles of persuasion, namely *reciprocation,* which describes the situation where you are handed something, a gift or a sample, and as a result of this feel a need to comply with this person or company. This principle is related to the desire to appear consistent, thus contrasting and comparing it to variety seeking as well as cognitive dissonance.

An example of foot-in-the-door technique or reciprocation is when two police officers interview a suspect. In the classic Hollywood interrogation style they might use the bad-cop-good-cop technique. The good cop will most likely offer the suspect food or a cigarette. Later, the suspect is asked to confess or reveal interesting information about his henchmen.

4.2.3.5 RESISTANCE TO BEHAVIORAL CHANGE

Many of the respondents proved to have ordinary technology and did not try new technology as soon as they could.

I can't think of a single time I've tried something new when it comes to technology. I hop on things really late, I don't want to be the one who is 'cool and new' but later finds out that the stuff they bought was totally useless.

This can be explained by consumers not adopting innovations as quickly as developers think they should. This is due to an irrational resistance to behavioral change (Gourville, 2004). With the use of prospect theory and the endowment effect, Gourville concludes that an innovation must be significantly better than existing products or services to overcome consumers' loss-aversion. This theory is in line with most switching cost theories, focusing on how, in order to make a switch, the new supplier must prove to be superior beyond a normal value for the switch to be "worth" executing.

If I'm going to try something else than an iPhone for music listening it better be insanely good. I can't even think of a scenario.. Ok perhaps if I just THINK of a song and then it get automatically played. Ok then maybe I would buy that music player even if it's not an iPhone.

If we consider switching costs, and then the potential event where these cost are (or appear to be) so high that switching is more or less impossible, then we are looking at something very similar to *lock-in*. In a sense, lock-in is a form of monopoly since it stops customers from switching to alternative suppliers (Varian et al 2004). But in this form it is not because there are no other suppliers to choose from, one is simply locked in because the switching cost are so immensely high.

Zauberman's (2003) definition of lock-in is "consumers' decreased propensity to search and switch after an initial investment". This is determined both by a preference to minimize immediate costs and by an inability to anticipate the impact of future switching costs. Experiments in Zauberman's study show that a small initial investment is sufficient to produce lock-in. He also finds that the results of a prior investment on lock-in are not due to psychological commitment but to a shift in relative costs of incumbent and new options. The study also reveals that respondents fail to anticipate how their prior investment will lock them in.

During the IT bubble of the late '90s the majority of stock investor anticipated a faster adaptation to new technology than what we actually saw in retrospect. The consequence was falling stock prices, people being let go from jobs and empty office buildings. A part of the

crisis was faulty expectations of the market which can be explained by resistance to behavioral change.

4.2.3.6 VOICE

More often than not, consumers have opinions about the products or services they buy. Not all of us express them, but when we do we can call it *voice.* The *voice* of these consumers can have a negative as well as positive effect on the company serving them. Bad feedback can lead to improved product design or service and effective compensation towards customers. The contrasting situation is where bad feedback leads to slandering of a brand's value and negative results for both consumer and producer.

> *I'm pretty active in the forums. Both when it comes to commenting on Youtube or something, on the artists' live performances, or regarding equipment. For a while I was really engaged in talking online about which headphones are the best.*

> *I feel like there is so much info out there that you really have to scream to be heard. But since it's so common to comment I do it more nowadays. I just blurt my opinion about concerts I've gone to or songs I like out there as soon as I can.*

> *I'm not sure my friends like it but I recommend and share music all the time. I also make it clear when I don't like something, I might have it as a status update on Facebook.*

The concept of voice is defined by Hirschman (1970) as consumers "attempt to change, rather than to escape" the product or service one is experiencing. The option of, in discontent, abandoning the product is called exit but will not be covered further. The voice concept has been included for this thesis partly for its implications in the new network economy, where the mass markets opinions can be expressed and heard online every day (Shapiro & Varian 1999).

5 CONCLUSION

The results from 14 interviews regarding music consumption can be structured based on models focusing on cognitive or affective stimuli aspects. In doing this we see how the different groups tend to consume music. All respondents show distinct traits significant for certain categorized groupings but can also serve alone to provide unique insights.

People, regardless of prior investment, tend to switch heavily between consumption forms as soon as the situation calls for this. Respondents were clear in consuming music from a certain genre or through a certain technology when the new technology had been established and common enough to avoid the first risk of making a wrong decision by switching. All groups tend to consume music as a result of activity performed. Variety seeking is common for all groups and affects how they switch in music consumption.

The affective-oriented respondents were the most extreme and different compared to the others, reflecting their emotional attachment to music consumption.

Since music can be consumed in so many ways there was a need to move away from strictly purchase-oriented theories regarding consumption and include action-oriented theories. Social settings, the need to create (music or moods) as well as to block mental distractions out were all themes within how music was consumed.

The way people consume music is broad and personal. An unforeseen finding was that many music consumers base their choice of timing, technology and genre to fit the activity they are participating in. Practice rather than individuality dictated how music was consumed.

6 DISCUSSION

To create an extensive qualitative study in order to map activities based on investment as a variable would probably contribute to this area. I would like to see this thesis as the starting point of more thoroughly unlocking behavior and motivation behind how music is and can be consumed, as well as spotting switching patterns in music consumption.

I faulty assumed the respondents that showed the most affective-oriented traits in their interview would show more enthusiasm and loyalty towards brands and certain music genres. This proved not to be the case; their main focus was emotion itself. Like the two other groups

they went through genre phases and mostly chose brands based on practical reasons or circumstances.

The cognitive quotes and the action-oriented ones are more closely related to each other than the affective quotes. They interlink, moving away from connecting with the switching patterns of the affective-oriented group of respondents.

7 MANAGERIAL IMPLICATIONS

As the Internet usage patterns are steadily growing downwards in age (IIS, 2011) the ability to create profitable business models in an online environment is increasing in importance. More and more individuals will be prone to using the Internet as a way to find what they want and/or need. The time spent daily in an online setting is increasing as well (IIS, 2011), meaning that marketers chance to convey their messages online are getting bigger.

With activity as a driving pattern between how music consumers behave and partly spend money, new business models and ideas can be developed with this in mind. The number of activities to choose from that could have a corresponding music consumption choice are vast, providing a potential value of several actors to compete on the market.

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9 APPENDIX A: INTERVIEW SET UP

THE INTERVIEW (open questions leading the respondent info the theory of interest and then interpreting the answers based on theory):

The following questions are based on theories of interest and what kind of information I want to withdraw from the respondent. In all questions I will ask openly around music and the use of music services, in order to not influence the responses. If open questions fail to touch upon my areas of interest after two effective probes, I will move on and consider the area I was searching for to be of lesser importance to that particular respondent. The questions are not intended to be asked the way they are written, instead what I want to find out is stated in this compilation.

BACKGROUND QUESTIONS:

- Background (age, name, demographics)
- Listing of music related technological products in possession (CD player, computer, walkman, phone)
- Estimation of size of music collection in both digital and physical form
- Estimation of most commonly used technological choice when listening to music, (using itunes, pandora, cd, vinyl, car stereo etc)
- What is most important when choosing how to consume music? (followed by how is that, why etc)
- How often (many hours per day) and in what settings do you listen

- What is music for?
- How important is music to you? (divided into moment of usage and meaning)
- Have you ever switched and if so why did you do it, what was the process like? (seek detailed answers)

EMOTIONAL QUESTIONS:

- What about the connection between emotion and music? Does the way you consume music affect your emotions? Or simply the genre?
- Variety seeking: do you use several forms of music consumption? Were you tired of your old service and wanted something new? Are you using several media at the same time?
- Social: Does it matter that Facebook is connected to spotify? Do you recommendations from other or not? Do you share music? Does it affect you what your friends listen to? Do you create your own playlists?
- Foot in the door: did you get an invite to spotify? Did you get a free sample of something regarding music?
- Exclusivity: did you have to beg for an invite? Do you buy limited editions of certain CDs or vinyl?
- Are you loyal to certain brands or artists? Is loyalty important to you? Do you shop locally? Do you support weird stores just to see them stay in your neighbourhood?
- Prospect theory: tell me about a loss related to you music experiences. Have you ever had to give something up? A Technology or a library of music?

- Is the brand (of technology) important? Why? Have you always liked this brand? Who else uses the brand?
- Social values: Do you think there are different types of music listeners? Why does this/that trait/pattern (depending on the participants answer) determine what kind of type an individual is? What kind of music listener do you want to be perceived as? And finally. What type of listener would you classify yourself as?

RATIONAL QUESTIONS:

- Questions about the eight switching cost categories:
    - Price: What do you think about the price? Did you think about the price? What is your internal reference price? Did you react to lowered priced? Increased prices?
    - Inconvenience: Was it inconvenient? Hours, locations, waiting,..?
    - Core service failure: mistakes, billing errors, service catastrophes?
    - Service encounter failures: bad staff? (maybe a good questions is talking about the non-service aspect regarding digital music, the lack of a real person to talk to and simply being directed to FAQs and so on)
    - Employee responses to service failures: how does the staff respond? No response? Reluctant? Negative?
    - Competition? Better service, more reliable, higher quality.. Did you switch even though the new one was more expensive?
    - Ethical problems: unsafe, conflict of interest, intimidating.. (if we put piracy as one music service option, then we will probably get interesting answers here)
    - Involuntary switching - did you move or did they close?
- How do you assess the quality of the product? (Followed by asking around importance of friends, media etc.)
- How do you assess the price in relation to the quality?
- How much do you spend on music per month? Is it worth it? Why, why not?
- Is it an active payment or is it simply withdrawn automatically fom your account (I'm still looking for an interesting theory on this since it indicates if you make an active choice each time you pay or if you are passive)
- What do you have to get out of the subscription or technology? Is it hard to quit?

HABITUAL QUESTIONS:

- Listening behavior
- What kind of routines do you have around music? (behavioral psychology, create playlist)
- Compatibility: can you connect different media to your existing technology gadgets?
- Psychical (the laptop, the CD player, the car stereo etc… OR the setting - you're walking on the street which means you use spotify/iTunes and not CD) Questions around this topic. Where do you listen to music? How? Which providers do you use at which times? (and then map this behavior)
- Branding from an habitual point of view as in never buying anything but Apple products. Do you continue to strive for the same type of brands? (Ask loosely around the products they have and if they would consider having others)

10 APPENDIX B: EXTRACT OF CODED QUOTES

Code	Main message	Typology	Quote
Affective	I consume music as a part of the music	play	I like conserts! I like familiar bands so I can sing a long Depending on my mood I listen to different kind of music.
Affective	I consume music to reflect or alter my mood	integration/classification	Because it makes me feel like someone understands me and I can relate when I feel lonely or happy
Affective	I consume music to alter my emotional state	experiential	To feel better during my bad days I listen to upbeat happy pop music
Cognitive/Affective	I consume music in order to learn how to play	integration	I attend a guitar course and then I have to listen to songs and recreate them as a part of my training
Cognitive/Affective	I consume music on my phone, brand consistent	classification	I'm a mac freak. I've been using mac since I was 7. My entire family uses it. I won't change unless something insanely better is invented. But I only listen to music on my phone. And yes - it's an iPhone. To be able to vary has a value in itself. That's why I use Spotify because you can find anything, and switch between genres etc.
Cognitive/Affective	I consume music that is varied	experiential/variation seeking	I have a certain song for my alarm signal. I'll never change, it's completely connected to the habit of waking up by now
Cognitive/Action	I consume music to wake up	integration	Sometimes I want to think about other stuff than what's going on in my head for the moment. Music is a great tool for that.
Action	I consume music to switch focus	experiential	I have music in one room and the TV in another and the radio in the third room. Talking and music go hand in hand, like radio with music. I usually have the radio on, sort of like company, it's like someone else is in my home.
Action/Social	I consume music and other elements at the same time	experiential	