<u>Changing the Industry, Spotify</u>

How streaming services affect music consumption.

Seth Carver Honors Undergraduate Thesis

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Abstract

As a lover of music, and a native of the music city (Nashville, TN), I have always been fascinated with the music industry and how it has changed over the past decade. It is a very different time for artists, as music consumption patterns have shifted from online downloads to streaming services. There has been much discussion in the industry about the new model because streaming services do not pay the same rate as downloads for the content they provide on demand. Through Interviews, scholarly reviews, and student surveys it has been concluded that Spotify does not directly increase artist revenues, however it has increased there reach to market, and has lowered the rates of internet piracy.

Introduction

In 2006 Daniel EK and Martin Lorentzon changed the music industry forever when they founded the music streaming service Spotify. Music consumption before that point had typically occurred either through direct ownership of the content or through radio listening. During this time a growing problem for the music industry was pirated content and illegal downloads from websites hosted in foreign countries. Since the introduction of Spotify and streaming services such as Apple Music, Tidal, and Amazon Music the revenue stream for artists and recording companies has drastically changed. Music ownership has also shifted as these new methods offer consumers an alternative to direct purchasing and lower the cost of consuming music. One question that still remains is the impact of streaming services on the overall industry, including the impact on those who make the music, and those who consume it.

Purpose

The purpose of this study is to analyze the current music consumption industry and determine 1) If Spotify increases artist revenues. 2) If Spotify has lowered the rate of piracy.

Methodology

Various methods will be used to collect data on the subject using secondary data and primary research conducted via surveys and interviews. Two perspectives will be evaluated, the artists who create the content placed on Spotify, and the consumers who use the service to listen to music. In particular, three methods have been used to investigate the issue. 1) One on one interviews with professionals in the music industry. 2) Reviews of scholarly works done within recent years on streaming services. 3) A survey of collegiate students gauging music consumption as well as purchasing behavior and attitudes.

Chapter 1. Interviews with Don VanCleave

To gain the artist perspective regarding the impact of streaming services, Don VanCleave the current manager for the Nashville based band Moon Taxi was interviewed. Several questions were asked regarding the current state of the music industry and how he has personally seen the changes take place with over 27 years of experience working in the music business. Don was a cofounder in the event Record-Store Day, an event started in 2007 to celebrate independently owned record stores.

During the interview questions were asked regarding his perception of the progression of the music business and how specifically Spotify has impacted the revenues of artists and rates of piracy. The type of consumer who downloads pirated music was analyzed as well as the progression of music consumption types such as CD's then music downloads and now streaming services.

Individuals who Pirate Music and the Development of Music Distribution

In Don's opinion, the type of individual who most likely downloads illegal music is someone who has a desire to own large amounts of digital music. Including albums which are not currently available, such as underground mix tapes and rough cuts of songs. He stated that, "people who listen to Spotify, don't care about owning music". Don went on to compare the music industry to the movie industry, which has also been affected by streaming. He stated that while movies can rely on box office sales to curb this loss of sales, music is without this second form of revenue. This causes piracy of music to effect artist revenues much more substantially than pirated movies.

The topic of discussion then shifted into how Spotify has specifically affected rates of piracy. It was made clear that to understand the rise of piracy it is first important to understand the different methods available for consumers to own physical (as opposed to digital) music. Before the CD it was not easy for a consumer to directly copy music because CD's were the first way to allow for a perfect digital copy of the song. Before this time the technology needed to copy vinyl and tape recordings remained mainly in the hands of those creating the music. During this time there was still a need for physical distribution because the technology was not yet available for the average consumer to consume music in it's raw digital form. This was the first major step in piracy as burned CD's were a way to share music illegally.

Technology then progressed and innovations such as MP3 players, and the I-Tunes store changed the need for consumers to purchase physical CD's and shifted to a model in the Industry known as Download Shops. This basically encompasses any platform a consumer can use to purchase music downloads. With this innovation came a large change for the industry with the rise in peer to peer file sharing sites such as Napster. Although the intentions of this website were to share information, it was primarily used to share copyrighted content illegally. This rise in piracy went on to expand into other avenues such as torrent sharing sites, such as the Pirate Bay. It was at this point that piracy began to largely effect the industry and its revenues from music sales.

Once the market for music shifted online the next stage of music consumption was developed. The model changed from downloading music to hosting music through streaming services such as Spotify, this legitimized sharing content online by providing artists with compensation based on a formula developed by Spotify. This changed the model for music

consumption drastically by allowing for consumers to listen to content they did not own. In Dons own words he stated that, “the whole pirating issue may be something from years ago”. This is mainly referring to the age of Napster and illegal file sharing. Additionally, he stated that “Spotify is cutting into the market of people who were pirating instead of purchasing music downloads”. Given his knowledge in the industry this suggests that Spotify has been a major tool for combating illegal music downloads.

Artists Revenues with Spotify

The next major topic discussed in the interview was the effect of Spotify on the revenues generated for artists by there content. When asked if he believed if Spotify specifically contributed to increases in artists revenues Don stated abruptly, “No”. He then began to explain that the checks artists receive from Spotify are miniscule compared to the checks once given to artists for CD sales in the 90’s. Again it was important to realize and compare where the market was before both streaming and download shops. Before streaming had entered the market, artists received large portions of there revenue from both CD sales and touring. After the introduction of downloads and streaming that revenue shifted largely to just touring as the amount paid out to artists from streaming is much less than that from actual record sales. In Dons own words, “In the 90’s things were different, you got giant checks in addition to the giant checks from touring. Now it’s a one way thing, you get the checks from the tours but not much more than that from your music. So music went from being a commodity and now its just marketing, you make a record and put it out so you can increase your fee and make more money when you play.”

While the actual payment given out to artists from streaming is much less than from the actual sale of the record, Don noted that Spotify has one overwhelming benefit - market reach. Don stated that, “We can go into a town now that we have never been to, sell 500 tickets and everyone is singing every word to every song, while we have never sold a single record in that town. Ten years ago that was impossible”. So while Spotify may not directly impact an increase in artist revenues it does impact the artist’s ability to reach new consumers. Based on Don’s experience, he believes on-demand streaming is leading to greater ticket sales than than any other avenue before.

This presents a large shift in the way music is distributed, instead of before where Radio was largely the only source to find new music, streaming services have created a new opportunity for artists to distribute their music without large financial investments. Before the only realistic way for artists to reach a mass audience was to sign with a large record label who would push their music out through large radio conglomerates. This is very costly and not realistic for an artist to do by themselves. Spotify now allows artists to distribute their music to anyone anytime for essentially no financial investment, other than making the music. According to Don the barriers to enter the market have greatly decreased, “Putting yourself on Spotify, is a lot easier. You can make a record in your bedroom so the barrier to entry in the marketplace has gone away.” Spotify now allows independent artists a way to distribute there music without any large financial investments. This benefit is huge for artists who are able to tour and allows for them to increase their Fee per show. However, the big disadvantage of Spotify comes to those artists who do not tour and specifically rely on there music to generate their revenues.

10 million Streams on Spotify→ $47,000 to Record Label

10 million downloads→ $7,000,000 to Record Label

(Calculation made by Don Vancleave)

Major Interview Takeaways:

- *Spotify offers a lower payout then traditional album sales*
- *Spotify allows artists a greater reach among target buyers*
- *Spotify increases artists' ticket sales*
- *Spotify has lowered the rates of those who once pirated music*

Chapter 2: Opinions from the Outside a Literature Review

For this next section scholarly work on the topic of streaming services were reviewed. After searching for content there were five studies identified with relevant information on the topic of streaming services and music consumption. Again the main questions that were investigated was if Spotify increased artists revenues, and if it lowered the rates of piracy.

The beginning research on the effect of streaming services to the music industry argues that with the introduction of streaming services there has been a fundamental change in the way that music is distributed. The industry has largely shifted from physical distribution to online distribution and at a declining rate. This is noted as the democratization of music (Trefzger p.29) Although individuals are now purchasing more digital copies of music than physical, overall fewer people are purchasing music and shifting to streaming services (Trefzger p.29). Another very interesting point is that most streaming services currently operate at a loss because of the large amount that they are required to pay for copyrighted content. As of 2015 70 percent of the revenues from streaming services go directly to the owners of the content. This is very similar to the model of download shops where the cost of a song averaging $1.00 and every 70 cents going towards owner's rights (Trefzger p. 33).

In a French study by the Université de Bretagne Occidentale, 2,000 French individuals were surveyed to determine if streaming services were a complement or substitute to traditional purchasing methods such as music downloads or cd sales. The study's findings suggest that there is no significant affect on music ownership (Dangnguyen p.12). Additionally, the authors found that streaming services positively affect live attendance for national and international artists (Dangnguyen p.12). The results from this study seem consistent with the

beliefs of the interviewed music executive, that Spotify is a major tool for driving ticket sales, but does not increase artists revenues.

Not all of the studies agree that Spotify drives album sales, in fact some state that it actually cannibalizes the sales of the record. Streaming enables consumers unlimited accesses to content similar to ownership with much lower costs. According to a study done by the NPD Group, accesses to streaming services decreased the propensity for committed music fans by 13% (NPD). This seems to pose a huge problem to Spotify as the current pay-out is much lower compared to the pay-out for actual music downloads.

Another topic that was brought up in scholarly work is that the music industry is similar to the movie industry in how it has been revolutionized by streaming services but the main difference is the streams of revenue for each industry (Richardson p.23). As mentioned in the previous chapter the movie Industry relies heavily on box office ticket sales for the majority of its revenues, while the music industry on the other hand is without this type of revenue. This causes a major problem for artists because while the same amount of expenses go in to making an album the revenues that they are receiving for that work has gone down with the decline of music purchasing over the past decade and the lower pay out with streaming services. According to Richardson the way to combat this loss in revenues is to change the way that the licensing deals are currently structured so that the losses of revenues can be regained (Richardson p.32). In his opinion many of the artists are not realizing benefits from Spotify monetarily because of the fact that their deals were signed with record labels before streaming services had entered the market (Richardson p.40).

In the final study, “Fighting free with free” Christine Halmenschlager argues that services such a Spotify deter online piracy, and also monetize audiences with a low willingness to pay for music (Halmen p.1). They have analyzed the current profit model for Spotify’s “free and premium” model and argue that those who once would’ve turned to piracy, now turn to free alternatives such as Spotify. Spotify is able to create a sustainable model out of these free users by selling advertising space. One key fact however is that the more restrictions Spotify puts on its free services the less users are willing to substitute piracy for streaming. This seems to support the idea that streaming services such as Spotify are the proper method to fighting online piracy.

Major Literature Review Takeaways:

- *Research findings vary in their conclusions regarding how streaming affects music purchasing*
- *There is evidence to suggest Spotify increases event ticket sales*
- *Physical distribution is shrinking for music*
- *Digital downloads are the largest share of music consumption*
- *Some scholars believe Spotify is combating piracy directly with its free model*

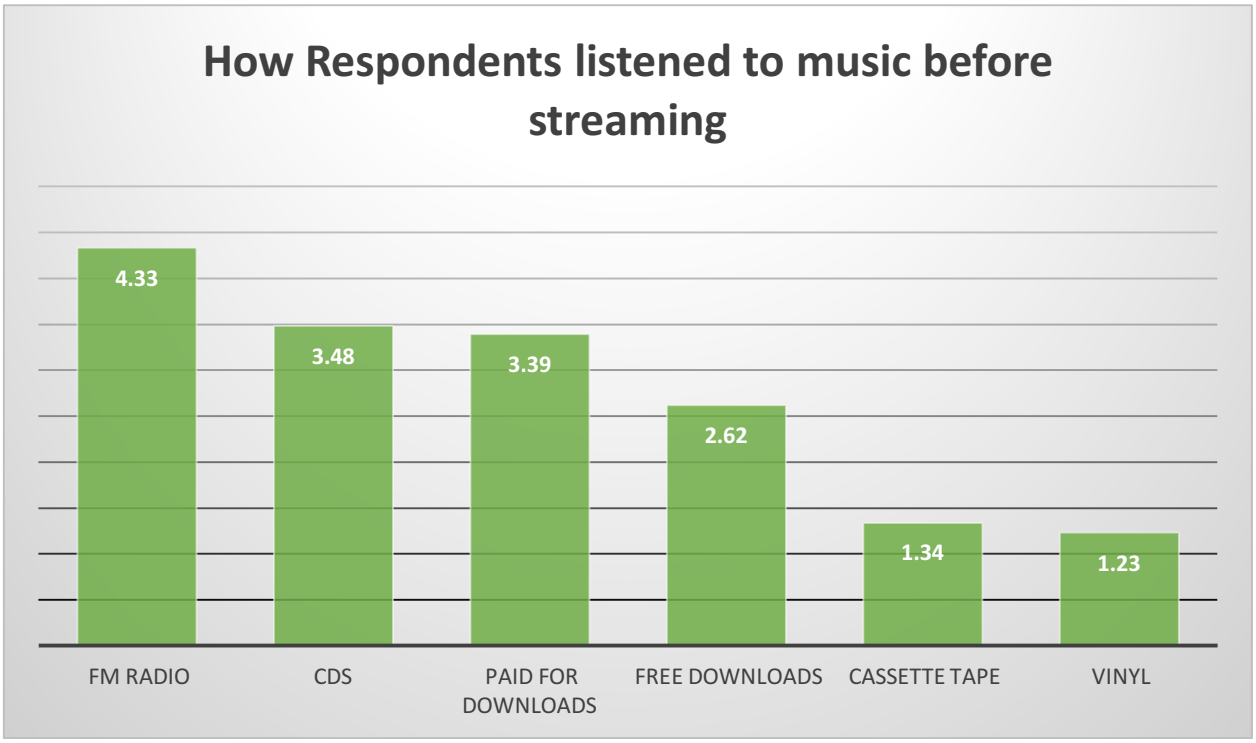
Chapter 3: A survey of University of Tennessee Students

In this final chapter a survey of 68 18-29 year olds at the University of Tennessee was conducted to determine the consumer's perspective on streaming and how it has affected their music consumption habits. The survey consisted of questions pertaining to how the individuals consumed music before and after the introduction of streaming services. The results suggest that streaming has significantly affected the way individuals in the college population have consumed music. The initial findings report that streaming services have both lowered the rates at which students download music, legally and illegally. Pertaining to the original questions posed regarding artist's revenues and piracy, it seems that Spotify has taken the lead for student's preference for music consumption and lowered the rates of policy within the sample group.

In the sample group the ages ranged from 18-29 with 42 male respondents and 24 female respondents. All respondents were students at the University of Tennessee and the majors ranged across all studies at the school. The survey was distributed via a link and mass email to all students within the University of Tennessee Ambassador program, Delta Tau Delta Fraternity, and the Chancellors Honors Program. Additionally, the link was also shared to other students at the school through mechanisms such as Group-Me and Facebook.

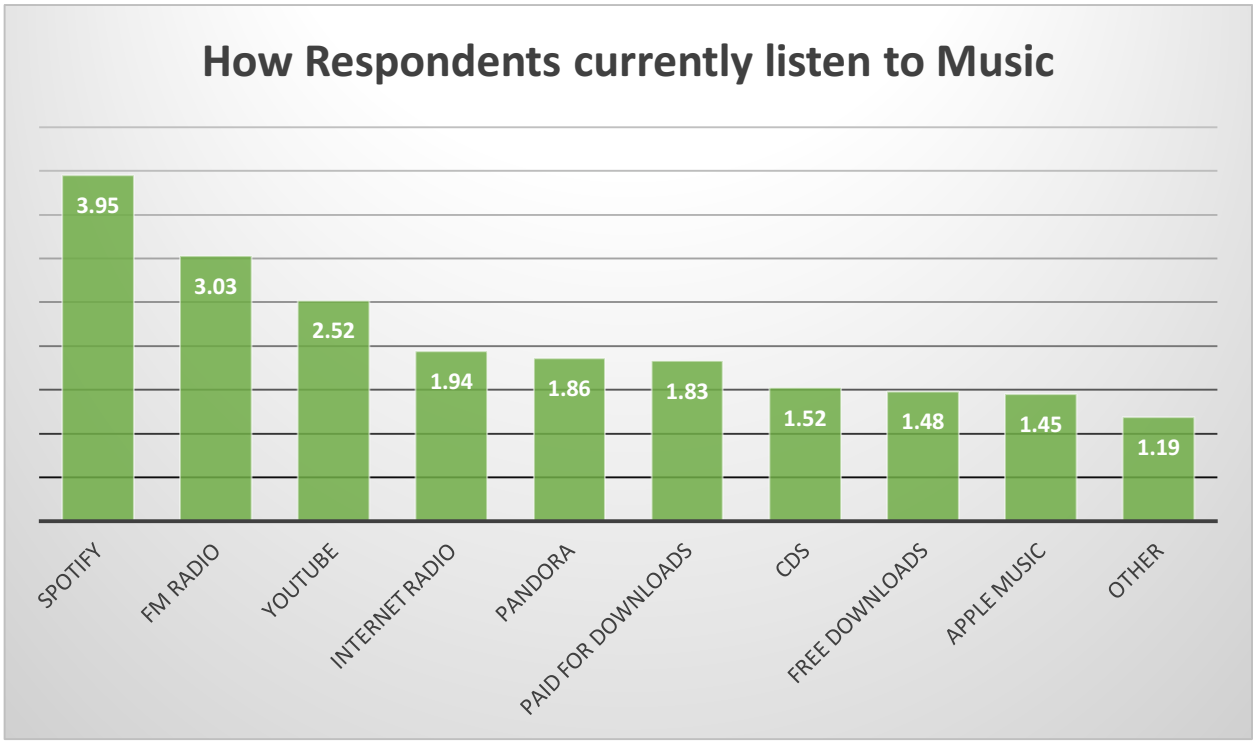
Music Consumption Before Streaming

Each respondent was given the choice between six alternatives for how they consume music. The respondent was able to select a level of frequency for each method and the frequency ranged from Never-Daily with 1 representing never and 5 representing daily. The options for music consumption were FM radio, CD's, Cassette Tape, Vinyl, Free Downloads, and Paid for Downloads. Based upon answers from respondents the three highest levels of consumption occurred with 1. FM Radio 2. CD's 3. Music Downloads. The mean for FM radio was 4.33 following CD's with a mean of 3.48 and then Music Downloads with a mean of 3.39. Free or pirated music came in 4th out of the alternatives with a mean of 2.62.



Music Consumption with Streaming.

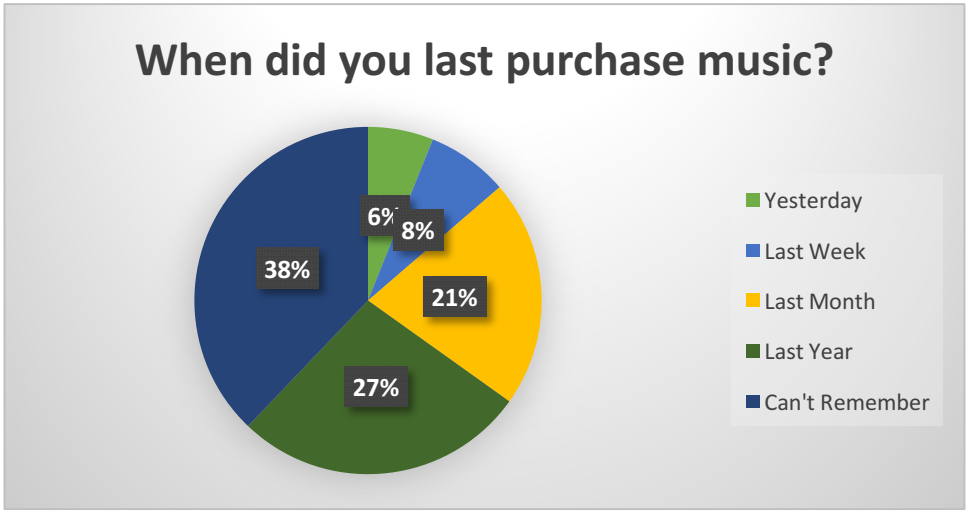
Respondents were asked how they currently listen to music and there were ten total alternatives from which they could choose. The ten choices were FM Radio, Internet Radio, CD's, Spotify, Apple Music, Pandora, Paid for Downloads, Free Downloads, YouTube, and Other. Like the question pertaining to before the introduction of streaming services respondents were able to choose a frequency for each alternative ranging from never to daily. Based upon survey results the three responses with the highest level of frequency were 1. Spotify 2. FM Radio 3. YouTube. The mean for Spotify was 3.95 following FM Radio with a mean of 3.03 and then YouTube with a mean of 2.52. Another interesting fact to note was that free downloads ranked 8th with a mean of 1.48.



Spotify and Streaming Services Affects on Music Purchasing.

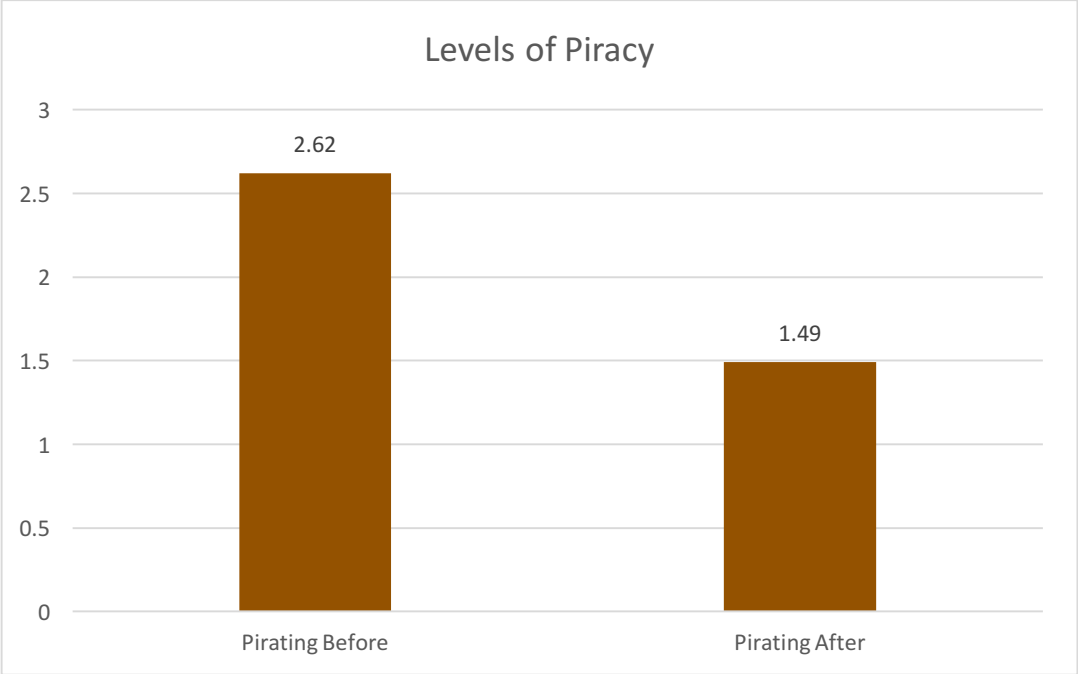
Based upon the before and after responses regarding streaming services Spotify has significantly impacted the consumer's music consumption habits. Looking simply at the means of purchased music downloads before streaming it was a total of 1.56 points higher then after streaming. Another interesting fact however is the negative correlation that exists between those who use Spotify and purchase music downloads. Based on respondents answers there was a 33% statistically significant negative correlation between Spotify and music purchasing, suggesting that those who use Spotify are less likely to purchase music. This sample was only college students however it does seem to support the conclusions of some of the scholarly work done on Streaming services. Taking these results into consideration it seems that to most Spotify is a substitute for music downloads rather than a complement.

Additionally, within the survey the respondents were asked to recall the last time they purchased music. The majority of respondents answered either Last Month, Last Year, or Can't remember. This also strengthens the argument that music consumption is shifting from purchasing to borrowing using the streaming model.



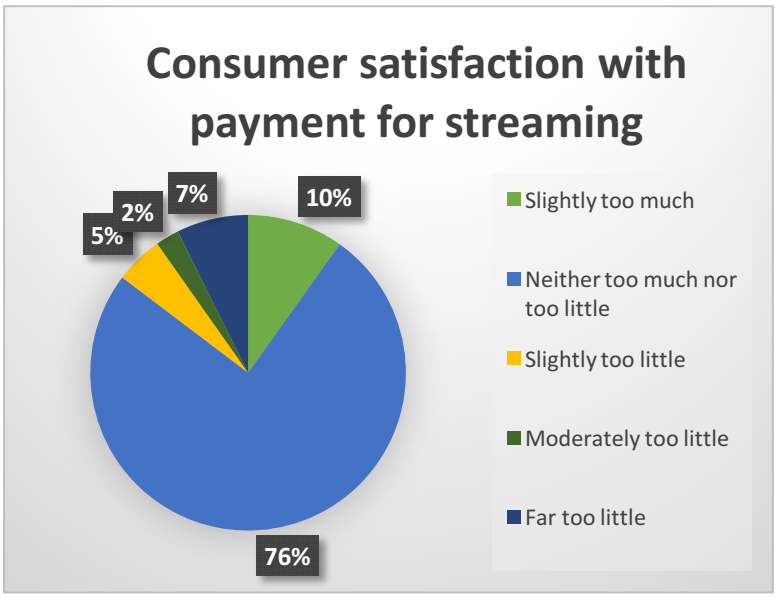
Levels of Piracy and the Affect on Streaming.

The next interesting finding from survey respondents is the level at which they pirated music before and after the introduction of streaming services. Looking at the means for how often respondents used free music downloads as a way to consume music the mean was at 2.35 before the introduction of streaming services and 1.48 after. This seems to indicate that without streaming services rates of piracy within the sample go up a statistically significant 38%.



Consumer Attitudes about Paying for Streaming Services

One final question that was asked to survey respondents was if they in fact paid for a streaming service, and if so, how happy they were with the level at which they were paying. The majority of respondents 62.1% said that they did pay for a streaming service and 76% of those respondents believed they were neither paying to much nor to little for the service. This suggests that those who use streaming services are willing to pay for it at the current rate. It is also great evidence that the current models are very attractive to consumers, and that they believe that streaming is a service worth paying for.



Major Takeaways Survey:

- *Within the sample Spotify is the most popular way to consume music*
- *Before Streaming levels of piracy were at a higher rate within the sample*
- *The majority of respondents pay for a streaming service*
- *Most respondents could not remember the last time they purchased music.*

Conclusion

After one on one interviews with music industry professionals, reviews of scholarly articles, and surveying college students it can be said that streaming services have greatly impacted the way that individuals consume music. From the artist's perspective this technology has largely shifted the way they make their incomes, but also helped to widen their reach to consumers. From the consumer's perspective these services have changed the way that they access music on a daily basis. While in the past physical copies of content may have been the most popular, individuals are increasingly moving more towards downloading and streaming. Relaying back to the original questions posed at the beginning of the study on whether Spotify increase artists revenues, and if it lowers rates of piracy the two conclusions have been established.

1. Artist Revenues

With regards to revenues it does not seem likely given the information from industry professionals and scholarly research that Spotify directly boosts the revenues of artists. The pay-out as it stands for such services is much lower than that of music downloads and it seems that most individuals use either service not both. Until Spotify scales to a much larger amount of user's artists will continue to make less then they would if there songs were being purchased in a physical or digital form. However, it is important to note that while Spotify may not be increasing revenues from content sales there is a highly likely possibility that Spotify does indirectly increase ticket sales for touring artists. This is largely in part to the reach that Spotify gives artists that they wouldn't have otherwise had with traditional radio.

2. Levels of Piracy

On the topic of piracy based on the information reviewed and collected it seems that Spotify has successfully combated the downloading of illegal music. It has done so by monetizing consumers who before would have gotten their music from free sources. Specifically referencing the survey results, within the sample the rate of piracy after the introduction of streaming is lower and statistically significant. While it may not necessarily lower the rates of piracy for all consumers, especially those who wish to own large amounts of music. For the average consumer Spotify has presented a free alternative which still pays artists for their work.

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Appendix

Interview Transcript

Seth Carver: How do you think that Spotify has impacted music piracy?

Don VanCleave: There is still a lot of stuff out there that people are downloading off of pirate bay,People who are pirating want a collection they want terabytes of music.People who listen to Spotify, don't care about owning physical music. They don't care to have a wall of CD's or Vinyls People don't hoard dvds anymore, because all you have to do is pull up a platform and press play. So really there are two different kinds of customers. There's no reason to own anymore, so I believe that Spotify is cutting into the market of people who were pirating instead of downloading songs on itunes or buying a cd. Why pirate, when I can get it instantly without going through all the steps. The whole pirating issue may be something from years ago.

Seth Carver: So how have you seen the progression of piracy with music distribution?

Don VanCleace: Cd's are basically digital master copies, and you can perfectly copy it. There was a lot of fear because people could copy the music. With tapes you would lose the quality going from tape to tape. But with, Burning Cd's there was Still a need for a physical product and distribution. Then Napster came up and that was basically Peer to Peer file sharing. Then I-tunes launched and it was the way to not go through Napster. I-tunes was a Way for people to legitimately download music. People acted like Napster was an earth shattering thing but, Napster, Pirating- it's not for the common guy, you have to know something about computers in order to be able to use it. I always say any kind of pirating you have to know a nerd to know how to do it. Spotify man, you just download the app and you have on demand music and I think that's what people wanted.

Seth Carver:Do you think Spotify has increased revenues for artists?

Don Vancleave: No, not…there is multiple revenues for an artists
So there are Commercials→Avenue of Income (All Day All Night Mc'Donalds Commercial)
There are revenues from your Record→ Sell downloads sell Cd's Sell Streaming sell vinyls. Least paying of all those is the streaming. If you are a non touring or a singer songwriter streaming is not that good. For touring artists such as my band, we watch the streaming numbers more than anything else because streaming puts asses in seats.
Touring Revenues→ Ticket Revenues
We can go into a town now that we have never been too, sell 500 tickets, everyone is singing the words to every song, and we have never even sold a record there. 10 years ago that was impossible.For me to be able to go into a town and take my band where we have ever been on the radio sold a download or a piece of vinyl and we have sold 500 tickets, and everyone is singing every word how did that happen?
Because of Spotify,We Love Spotify

Because it Sells Ticket, bigger then anything else has ever sold them
So for my particular band it has caused a huge financial win because of what it causes to happen. The actual checks from Spotify are miniscule,But we are okay with it because of the ticket sales.
Any where there is on demand streaming

Seth Carver: So the biggest thing is not the actual checks or revenues from Spotify, but the inscreased reach?

Don Vancleave: Were building fans, selling tickets because of it. It doesn't make the record companies happy. Because they get payed the least that way, but believe me they are sucking on Spotify just the way they are on apple.

Don Vancleave:
Here is the math for what money the record label gets,
What I have determined and I feel like its pretty accurate
If you stream 10 million times on Spotify it = 57'000 to the record label
If you sell 10 million downloads it = 7 million to the record label
So you can see a huge disparity

Don Vancleave:
I basically see it as radio, it's how your band can be found without a bunch of gate keepers in the way. But financially it ain't great to anyone, especially to the record label who is invested in your band. So they pay for the band, pay for the song to be on the radio, getting a song on the radio is stupid expensive. You have to pay a full staff of people to lobby the radio stations and also pay for the travel of the band to the radio stations. If the record companies aren't seeing enough sales on there end from streaming, downloads or whatever they will drop you, because your not a good investment to them. So that's a big issue. Now for the band all they really need to be happy is to sell the tickets because they get all of that money.

Don Vancleave:
For Touring musicians that do make the majority of there money off of ticket sales, Spotify has been a god send.

Don Vancleave:
For singer songwriters who mainly get there music on a TV show and hope for a result in sales on Itunes or a record store, Spotify is not as good.

Don Vancleave
Some people just make music, and never go out and play.
Some people just aren't good at touring, playing live.

Don Vancleave
In the 90's things were different, you got giant checks in addition to the giant checks from touring
Now it's a one way thing, you get the checks from the tours but not much more than that from your music

Don Vancleave
So music went from being a commodity and now its just marketing, you make a record and put it out so you can increase your fee and make more money when you play. Because you got more people coming. It's a very different dynamic then the mtv 90's

Seth Carver: Is the model now the way that it's going to be in the future? Or can it go back to that dual model?

Don Vancleave:
Well, no we are still in the early days of all this. The streaming era has only been around 10 years, if streaming scales from 4 million paid subscribers too 100 million people it would generate a ton of cash for the music industry. Everyone knows that it is the future and everyone knows that It has to scale to replace what was lost from physical/digital sales.

Don Vancleave:
It's harder and harder to get a record deal, but there are a lot of things that are easier
Putting yourself on Spotify, you can get all of yourstuff out there using tunecord it's a lot easier you can make a record in your bedroom the barrier to entry in the marketplace has gone away

Don Vancleave:
Having the label behind you is a like having a big machine behind you. The record label handles facebook, handles when to put up specific posts, has experts in all of this field. Musicians can't take on all of those roles. It presents a conundrum because you can have your music out there, but to become a big artist you have to have all of those things.

Seth Carver: So why do you think that there are some huge artists like Taylor Swift, who choose to stay off Spotify?

Don Vancleave:
Garth is not on Itunes or Youtube, very proprietary guy. He Doesn't believe any of those platforms pay enough money. He is super rich and can do whatever he wants, Taylor has enough money to do what she wants. Like Adele she kept her music from Spotify and 3 million copies in one week physically, there is usally only a couple people who can pull that off. Like Kanye who only first released his album on tidal. Only a few giant artists can do that.

Don Vancleave:
They make more money that way, Taylor doesn't think her music should be devalued to the point. It gets more into the Philosophy. I Disagree, I feel like with the bands I worked for they are more agnostic when it comes to technology and I think that approach is more fan friendly. If you're the biggest in the world your fans will go wherever to get your music.

Don Vancleave:
So artists like beyonce or other big artists but not mega artists have started to window Windowing: Highly debated. Put out the download and physical good. Two weeks later you put out the streaming. So it gets the early fans to go ahead and purchase music. So there are different strategies with different bands and what they believe.

Student Survey

Changing the Industry

Q16 Changing the Industry, Spotify Welcome! This is a study about the way that music is consumed on a daily basis and how the introduction of streaming services such as Spotify has impacted this consumption. The survey will ask brief questions about how you consume music and how Spotify has effected this consumption. The research gathered will be used to evaluate how Spotify has impacted the music industry and give insight to how consumers feel about music ownership and music piracy. Your answers will help to evaluate if Spotify has had a positive influence on the music industry as whole and how streaming services has effected artist revenues. This is a research study, and you may refuse to participate or withdraw from this study without penalty at any time.
_____
Consent:The completion of the survey constitutes consent to participate. All answers will be anonymous as the data will be aggregated for the analysis._____
The survey takes approximately 9 to 15 minutes to complete. If you have questions about your rights as a participant, you may contact: · University of Tennessee IRB Compliance Officer at utkirb@utk.edu or (865) 974-7697·Seth Carver, principal investigator, at scarver5@vols.utk.edu or (615) 430-5504· Dr. Kelly Hewett, Associate Professor of Marketing at the University of Tennessee, at khewett@utk.edu Thank you in advance for your participation!

Q1 Approximately how often do you listen to music through each of these sources?

	Never (1)	Once a week (2)	2-3 times a week (3)	4-6 times a week (4)	Daily (5)
FM Radio (1)	❍	❍	❍	❍	❍
Internet Radio (2)	❍	❍	❍	❍	❍
Cd's (3)	❍	❍	❍	❍	❍
Spotify (4)	❍	❍	❍	❍	❍
Apple Music (5)	❍	❍	❍	❍	❍
Pandora (6)	❍	❍	❍	❍	❍
Downloaded Music (Paid for) (7)	❍	❍	❍	❍	❍
Pirates Bay, Lime-wire, Free Downloads (8)	❍	❍	❍	❍	❍
Youtube (9)	❍	❍	❍	❍	❍
Other (Please Specify) (10)	❍	❍	❍	❍	❍

Q3 Do you have a desire to own music? (Cd's, Vinyls, Downloads)

❍ Definitely yes (1)
❍ Probably yes (2)
❍ Might or might not (3)
❍ Probably not (4)
❍ Definitely not (5)

Q4 Please rate your agreement with each statement

	Disagree Completely (1)	Disagree Somewhat (2)	Neither Agree nor Disagree (3)	Agree Somewhat (4)	Agree Completely (5)
I think pirating music is wrong in any case (1)	❍	❍	❍	❍	❍
I think pirating is okay if artists are already making enough money (Successful Mainstream Artists) (2)	❍	❍	❍	❍	❍
It's okay for younger people who don't yet have a high level of income as long as they begin to pay for music once they are established. (3)	❍	❍	❍	❍	❍
People should be able to get music for free if it's available regardless of the Artist or provider (4)	❍	❍	❍	❍	❍

Q5 How did you listen to music before streaming services were available? (Ex: Spotify, Pandora, Apple Music)

	Daily (5)	4-6 times a week (4)	2-3 times a week (3)	Once a week (2)	Never (1)
FM Radio (1)	❍	❍	❍	❍	❍
CD'S (2)	❍	❍	❍	❍	❍
Cassette Tape (3)	❍	❍	❍	❍	❍
Vinyl (4)	❍	❍	❍	❍	❍
Pirates Bay, Lime-wire, Free Downloads (5)	❍	❍	❍	❍	❍
Paid for Downloads (iTunes Store) (6)	❍	❍	❍	❍	❍

Q6 Since the Introduction of Streaming services like Spotify how often do you download music for free?

❍ Daily (5)
❍ 4-6 times a week (4)
❍ 2-3 times a week (3)
❍ Once a week (2)
❍ Never (1)

Q7 Do you currently pay for a streaming service? (Ex: Spotify, Pandora, Apple Music)

❍ Yes (1)
❍ No (2)

Q8 How much do you pay?

❍ Far too much (1)
❍ Moderately too much (2)
❍ Slightly too much (3)
❍ Neither too much nor too little (4)
❍ Slightly too little (5)
❍ Moderately too little (6)
❍ Far too little (7)

Q13 When was the last time you purchased music? (Ex: CD'S, Vinyls, Downloads)

- ❍ Today (1)
- ❍ Yesterday (2)
- ❍ Last Week (3)
- ❍ Last Month (4)
- ❍ Last Year (5)
- ❍ Can't Remember (6)

Q10 What is your gender?

- ❍ Male (1)
- ❍ Female (2)

Q11 What is your age?
(Text Box)

Q12 What is Your Major
(Text Box)

SPSS Charts and Frequency Tables.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
How often do you listen to music through FM radio	66	1	5	3.03	1.549
How often do you listen to music through internet radio	66	1	5	1.94	1.380
How often do you listen to music through CDs	66	1	5	1.52	.965
How often do you listen to music through Spotify	66	1	5	3.95	1.544
How often do you listen to music through Apple music	65	1	5	1.45	1.090
How often do you listen to music through Pandora	66	1	5	1.86	1.346
How often do you listen to music through downloaded music, paid for	66	1	5	1.83	1.158
How often do you listen to music through free downloads	66	1	5	1.48	1.056
How often do you listen to music through Youtube	66	1	5	2.52	1.180
How often do you listen to music through Other	36	1	5	1.19	.822
Valid N (listwise)	35				

	N	Minimum	Maximum	Mean	Std. Deviation
How did you listen to music before streaming – FM radio	66	2	5	4.33	.865
How did you listen to music before streaming – CDs	62	1	5	3.48	1.225
How did you listen to music before streaming – Cassette tape	59	1	4	1.34	.659
How did you listen to music before streaming – vinyl	61	1	5	1.23	.716
How did you listen to music before streaming – free downloads	65	1	5	2.62	1.548
How did you listen to music before streaming – paid for downloads	66	1	5	3.39	1.497
Since streaming services how often do you download music for free?	48	1	5	2.35	1.644
Valid N (listwise)	41				

Do you currently pay for streaming service?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	59.4	62.1	62.1
	No	25	36.2	37.9	100.0
	Total	66	95.7	100.0	
Missing	System	3	4.3		
Total		69	100.0		

How much do you pay for streaming?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Slightly too much	4	5.8	9.8	9.8
	Neither too much nor too little	31	44.9	75.6	85.4
	Slightly too little	2	2.9	4.9	90.2
	Moderately too little	1	1.4	2.4	92.7
	Far too little	3	4.3	7.3	100.0
	Total	41	59.4	100.0	
Missing	System	28	40.6		
Total		69	100.0		

When was last time you purchased music?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yesterday	4	5.8	6.1	6.1
	Last week	5	7.2	7.6	13.6
	Last month	14	20.3	21.2	34.8
	Last year	18	26.1	27.3	62.1
	Can't remember	25	36.2	37.9	100.0
	Total	66	95.7	100.0	
Missing	System	3	4.3		
Total		69	100.0		

		How often do you listen to music through FM radio	How often do you listen to music through internet radio	How often do you listen to music through CDs	How often do you listen to music through Spotify	How often do you listen to music through Apple music	How often do you listen to music through Pandora	you listen to music through downloaded music, paid for	How often do you listen to music through free downloads	How often do you listen to music through Youtube	How often do you listen to music through Other
How often do you listen to music through FM radio	Pearson Correlation	1	.274*	.247*	-.315*	-.049	.068	-.014	-.131	.151	-.118
	Sig. (2-tailed)		.026	.046	.010	.697	.585	.909	.293	.225	.493
	N	66	66	66	66	65	66	66	66	66	36
How often do you listen to music through internet radio	Pearson Correlation	.274*	1	.128	-.030	.004	.451**	.022	-.106	.048	-.143
	Sig. (2-tailed)	.026		.306	.810	.978	.000	.858	.396	.703	.404
	N	66	66	66	66	65	66	66	66	66	36
How often do you listen to music through CDs	Pearson Correlation	.247*	.128	1	.047	.012	-.135	-.032	-.128	.061	.122
	Sig. (2-tailed)	.046	.306		.708	.923	.281	.798	.305	.629	.479
	N	66	66	66	66	65	66	66	66	66	36
How often do you listen to music through Spotify	Pearson Correlation	-.315*	-.030	.047	1	-.182	-.277*	-.331**	-.128	-.283*	.149
	Sig. (2-tailed)	.010	.810	.708		.146	.024	.007	.306	.021	.387
	N	66	66	66	66	65	66	66	66	66	36
How often do you listen to music through Apple music	Pearson Correlation	-.049	.004	.012	-.182	1	.239	.245*	-.098	-.040	-.065
	Sig. (2-tailed)	.697	.978	.923	.146		.055	.050	.437	.752	.710
	N	65	65	65	65	65	65	65	65	65	35
How often do you listen to music through Pandora	Pearson Correlation	.068	.451**	-.135	-.277*	.239	1	.321**	.101	.074	-.076
	Sig. (2-tailed)	.585	.000	.281	.024	.055		.009	.418	.555	.658
	N	66	66	66	66	65	66	66	66	66	36
How often do you listen to music through downloaded music, paid for	Pearson Correlation	-.014	.022	-.032	-.331**	.245*	.321**	1	.105	.041	.125
	Sig. (2-tailed)	.909	.858	.798	.007	.050	.009		.402	.742	.468
	N	66	66	66	66	65	66	66	66	66	36
How often do you listen to music through free downloads	Pearson Correlation	-.131	-.106	-.128	-.128	-.098	.101	.105	1	.327**	.596**
	Sig. (2-tailed)	.293	.396	.305	.306	.437	.418	.402		.007	.000
	N	66	66	66	66	65	66	66	66	66	36
How often do you listen to music through Youtube	Pearson Correlation	.151	.048	.061	-.283*	-.040	.074	.041	.327**	1	.062
	Sig. (2-tailed)	.225	.703	.629	.021	.752	.555	.742	.007		.718
	N	66	66	66	66	65	66	66	66	66	36
How often do you listen to music through Other	Pearson Correlation	-.118	-.143	.122	.149	-.065	-.076	.125	.596**	.062	1
	Sig. (2-tailed)	.493	.404	.479	.387	.710	.658	.468	.000	.718	
	N	36	36	36	36	35	36	36	36	36	36

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	How often do you listen to music through free downloads	1.49	65	1.062	.132
	How did you listen to music before streaming - free downloads	2.62	65	1.548	.192

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	How often do you listen to music through free downloads & How did you listen to music before streaming - free downloads	65	.383	.002